



PORT OF OLYMPIA COMMISSION
MINUTES OF SPECIAL MEETING

April 22, 2010

CALL TO ORDER

President Barner called the meeting of April 22, 2010, to order at 1:30 p.m. at the Port of Olympia Administrative Offices. Commissioners Davis and McGregor were also in attendance.

Staff in attendance was: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Engineering Director Rick Anderson, Finance Director Kevin Ferguson, Controller Andi Mounts, Airport Director Rudy Rudolph, Property Development Manager Clarita Mattox, and Communications Manager Kathleen White. Ports Legal Counsel Carolyn Lake was also in attendance.

Public in attendance who filled in the sign-in sheet were as follows: Richard Wolf and Clydia Cuykendall.

COMMISSION CONSIDERATION

Review of April 26th Commission Agenda

The Commissioners discussed the purpose of these meetings and the manner in which they would be conducted. Commissioner McGregor indicated the purpose of these meetings is to have time to discuss with staff and not allow public comment until the Monday night meetings.

President Barner indicated that he felt this meeting should be to have discussion between commissioners on issues that they want to discuss and not spend the time going through the agenda. He felt it would be more productive to have a roundtable amongst the commissioners and have a better sense of the other member's position.

Commissioner McGregor indicated that at the April Commission meeting we discussed that this meeting would be to discuss the agenda. There is always an opportunity to hold a special meeting for those discussions. However these Thursday regular meetings were created to review the commission agenda.

President Barner suggested that he would like to discuss this idea. Commissioner McGregor suggested that we discuss this at the Monday night meeting.

The staff provided the Commissioners an overview of the presentation scheduled for Monday, April 26th. Staff noted that the Authorization to Call for Bids – Airport Taxiway E and C/F Rehabilitation is being pulled due to FAA requirement changes.

Staff reviewed the Authorization to Increase Open Order Contract for Engineering Services.

Mr. Rick Anderson indicated that this item is consistent with the advisory given on April 12, 2010. He noted that on January 11, 2010, Commission authorized the Executive Director to issue Open Order Civil Engineering Professional Services Agreement No. 2010-1001 to Reid-Middleton. This contract is for civil engineering services to support the Airport capital investment plan projects for 2010.

Mr. Anderson indicated that the scope of work for this increase to Reid Middleton's contract is to cover the cost of providing the construction inspection and oversight for the Taxiway E and C/F Intersection Rehabilitation project. Work will also include review submittals, pay estimate quantities, calculate asphalt pay quantities per FAA requirements, assist the Port with response to contractor's requests for information, and prepare project closeout documentation required by the Federal Aviation Administration.

He noted that the estimated cost for these additional services is \$250,000. He indicated that the previous contract authorization on January 11, 2010 was for \$250,000. The revised contract authorization would be for \$500,000. Mr. Anderson reported that the funds for this project are from the 2010 Capital Investment Plan. It is anticipated that projects approved in the Federal Aviation Administration Airport Improvement Program will be grant reimbursed at 95%.

He noted that the total contract may end up after the three years at over \$2 million. This task related approach is to keep the commissioners informed along the way and to give staff a better process of estimating the numbers with more precision.

Mr. Kevin Ferguson provided the Commission with an overview of the presentation for the Fiscal Year 2009 – Summary of Financial Results. He noted that during the fiscal year, the Port of Olympia improved financial performance when compared to recent fiscal years during the same fiscal period.

Mr. Ferguson provided a summary of details for each business unit's financial performance along with the consolidated Port of Olympia's performance. The presentation also included information about bond money spent and cash flow. The presentation shows record high revenues, operating surplus and operating income after applying overhead.

Commissioner Davis confirmed that no tax revenue went towards operating expenses. He indicated that we need to advertise this message – it is lost to the general public. Mr. Ferguson confirmed that all tax money goes to pay for capital projects and environmental projects.

Mr. Kevin Ferguson provided the Commission with an update on the first quarter of the fiscal year ended on March 31, 2010. He noted that during the first quarter of the fiscal year, the Port of Olympia sustained its improved financial performance when compared to recent fiscal years during the same fiscal period. He noted that the public meeting presentation will contain a summary of details for each business unit's financial performance along with the consolidated Port of Olympia's performance. The presentation will also include information about current cash amounts, bond money spent and forecasts of cash flow.

Ms. Clarita Mattox provided the Commission with an update on NorthPoint. She noted that in 1995 the Port of Olympia adopted a land use plan for its properties located on the peninsula extending into Budd Inlet which including land use for two districts: the Northern District and the Admiral District which have since been modified as one district, NorthPoint, that combines commercial and marine related land uses.

She reported that since 2003, the Port Commission has held several public workshops on the NorthPoint District and adopted guidelines at NorthPoint that will: 1) maximize development through parking synergies, 2) take advantage of views of Budd Inlet and Olympic Mountains Provide surrounding uses that are conducive to consumer use, 3) be pedestrian and consumer oriented, and 4) provide for recreation and citizen use of shoreline.

She reported that these desired outcomes, integrated into the Port's Development Guidelines and approved August 11, 2008, will create a unique destination development that attracts local residents and visitors to the northernmost tip of Port's peninsula properties. Desirable uses include restaurant, hospitality, office, small boat center, marina and public amenities such as a shoreline trail, viewpoint, restrooms, interpretive signage, pocket park, esplanade and landscaping.

Ms. Mattox indicated that following a recruitment process for developers in the fall of 2009, three open houses were held to solicit public input on the proposed concepts MJR Development presented to the Port Commission. At the Nov. 23rd Regular Commission Meeting, the Commission was provided a summary of the process and then discussed the matter among themselves. They also were provided an updated concept alternative #3 site plan from MJR that reflected MJR's interpretation of public comments.

Ms. Mattox indicated that after deliberation at the November 23, 2009 meeting, the Port Commission approved a motion that: 1) Directed Port staff to explore a long-term lease with KGY, consistent with the Port's customary terms and conditions, 2) Agreed to provide MJR Development exclusive rights to continue to develop concepts for NorthPoint subject to continuation of an acceptable public process of further input, and 3) Do feasibility studies leading to concurrence with a development concept by the Port Commission. All of the above would be done under a mutually agreeable memorandum of understanding, such exclusive conceptual development rights to be valid for a period of one year, with an option for an additional year. Ordered Port staff to proceed with an interim action plan with the Washington State Department of Ecology, based on the MJR concept known as alternative #3 site plan that was presented at the Nov. 23rd Commission meeting.

She noted that Port staff is currently acting upon the Commission's direction and will provide an update on progress to date at the Commission meeting. In consideration of the strong public interest in the North Point redevelopment, Port staff will also provide an update on two meetings held to date with citizens to address steps for needed public involvement as we move forward with redevelopment efforts for this district.

Commissioner Davis indicated that we have converging issues. The public process presented and adopted for NorthPoint and the bids for Cascade Pole. He commented that there seems to be a window of opportunity for getting the grant from Department of Ecology. If we do not act quick enough we could lose the grant. He noted that Department of Ecology requires that we have to have this project done by a certain time. How can we manage all these issues? Do we worry about the money, the project, or the public? He indicated that he would like to see this meeting as a way to address these issues.

Commissioner Davis asked what is the most important thing here? We don't want to miss the opportunity for Department of Ecology to come in and support the clean-up of phase III. Commissioner Davis indicated that it is his priority to not compromise the funding.

President Barner commented that we have until June 30th 2011. We just need to give them a cleanup plan that they accept. He indicated that nothing is holding us up from moving forward with the cleanup of the Phase III site. Commissioner Davis asked is the plan is contingent upon what will be on the site.

Mr. Rick Anderson indicated that Department of Ecology is satisfied with the intended use, they do not need full concept. He noted that we submitted an asphalt cap for the site. If we were to change that cap type, then we would be forfeiting the funding from Department of Ecology. We have to stick with what we have proposed to them. We have indicated we are planning for commercial development.

Port Advisory Committee (PAC) member Clydia Cuykendall requested that the Public Involvement Process involve the PAC. The Commission concurred.

ADJOURNMENT

President Barner adjourned the meeting of April 22, 2010 at 2:41 p.m.

Port of Olympia COMMISSION

President

Vice President

Secretary-Treasurer