

P O R T O F O L Y M P I A C O M M I S S I O N
M I N U T E S O F W O R K S E S S I O N

February 19, 2008

CALL TO ORDER

President McGregor called the work session of February 19, 2008, to order at 2:00 p.m. in the Large Conference Room at the Port of Olympia. Commissioners Telford and Barner were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Marketing Director Kari Qvigstad, Finance Director Steve Davis, Senior Manager Property Development Heber Kennedy, Harbor Director Bruce Marshall, Engineering Director Jeff Lincoln, Marine Terminal Director Jim Amador, and Communications Manager Patti Grant.

Public in attendance were as follows: Representing *The Olympian* was Rolf Boone. Others in attendance included: Richard Wolf, Dick Pust, Tom Fell, Bob Barnes, and Arthur West.

NorthPoint Briefing

Ms. Kari Qvigstad provided the Commission with an update on the NorthPoint Redevelopment. She reviewed the planning elements and port objectives that were considered during the planning process. Ms. Qvigstad also reviewed the past public involvement and public input that has been received on the project to date.

Commissioner Telford suggested that we start over with public meetings on this development and assign this project to the PAC to evaluate development opportunities for NorthPoint and then present their opinions and options to the Commission. He also suggested they involve developers in the process.

Mr. Galligan indicated that process might result in three different recommendations. Commissioner Telford indicated that they would hear all views and then decide.

Commissioner Barner indicated he would like to take this process out to the jurisdictions, like Yelm, Tenino, etc. and talk at their council meetings providing an outreach to the outlying areas. Commissioner Telford indicated that if we do that there would be no reason to get the PAC involved. We would need to do it one-way or the other.

Ms. Qvigstad indicated that there has been much planning that has occurred over the past years and she would like for the Commissioners to explore the alternatives from the past five-year of planning and revisit what the objectives and desired outcomes were. President McGregor indicated he did not want to drain the staff resources from the East Bay development. He said he was concerned about pulling staff in too many directions.

Mr. Galligan indicated that NorthPoint was not a goal proposed for 2008 and if the commission wants to add that to the list, they would also need to consider the resources. Mr. Galligan suggested that we table this discussion pending Ecology approving the clean up.

Commissioner Barner asked if the two other commissioners were interested in the highest revenue and best uses for the property. He said that his interests are for a Maritime Museum, commercial retail – a blend of development. He noted that he does not like the hotel and office out at NorthPoint because it does not help the local guy.

Commissioner Telford indicated he would like the PAC to do the public outreach. Mr. Galligan indicated that the PAC is not interested in more public outreach; they would like to reduce it. Commissioner Barner indicated that the Commissioners could do the public outreach by mixing it up with other jurisdictions. Commissioner Telford indicated that Yelm does not care what happens out here, they care what happens in their back yard.

Mr. Galligan asked that this be tabled until the March 18th meeting where staff can brief the commissioners on the alternatives that have been looked at over the years that would provide the commissioners with a basis and background for discussion.

Discussion of Port (Executive Director) Goals for 2008

The proposed goals were presented to the Commission as discussed at the previous work session.

President McGregor asked that an additional goal be added relating to the employees having a responsibility towards meeting or exceeding their budgets.

The goals were adopted as such:

2008 PORT OF OLYMPIA GOALS

AIRPORT

Runway LOS Correction & Rehabilitation

Complete FAA Phase 3 airport safety project (Runway 17/35 Line of Sight and Runway Rehabilitation improvements) mandated by FAA. FAA 95% funding. Project is engineered and will be ready to bid in early spring for optimal construction season construction. Completion Date: December 31, 2008.

Airport Habitat Management Plan

Develop and implement an Adaptive Habitat Management Plan for the Airport that achieves the WDFW goals of sensitive species habitat protection while maintaining the safety, efficiency, utility and long-term viability of the airport. Completion Date: December 31, 2008.

MARINE TERMINAL

Marine Terminal Improvements / Weyerhaeuser Operations

Complete cargo yard improvements that will enable lease tenant Weyerhaeuser operations to commence at marine terminal resulting in steady base cargos and regular activities – both vessel and barge – at the marine terminal. Completion Date: Spring 2008; Weyerhaeuser Operations to begin May 31, 2008

Intermodal Enhancement Project

A carry-over from 2007, this project is anticipated to start in 2008 and finish in 2009. This project encompasses the Market Street crossing adding safety lights and arms to the rail entrance and exit area close to the Market. Current terminal track will be paved over, as well as additional tracks will be added on Washington Street and along side the warehouse. Lastly, funding will be used to add rail equipment, such as ramps, used rail cars and a trackmobile. Completion Date: Spring 2009

Military Ship Plans and Procedures

Develop plans procedures to become a part of our security plan. This will include coordination with local law enforcement to include pre-planning, command center, and post operations. Completion Date: June 2008

PROPERTY DEVELOPMENT

East Bay Master Development**

Assuming that the Preliminary Short Plat is approved and agreement with Department of Ecology for clean-up action plan, infrastructure will be constructed during 2008. Land sales will be closed between LOTT for plant expansion and plaza and HOCM/City of Olympia for museum expansion. A Request for Proposals (RFP) will be solicited for the Phase II mixed use development that meets vision of East Bay district. Completion Date: December 2008

SWANTOWN MARINA & BOATWORKS

South Marina Project (MNO)**

Assuming Permits are approved without unusual delays or circumstances, this project should be substantially completed in 2008. Completion Date: Spring 2009

Marina Dock Rehabilitation

This project will complete the GHI and JKL docks renovation program that was started in 2000. As a result the useful life of the floats will be extended providing substantially more revenue from the docks before costly replacements are needed. Completion Date: December 2008.

ENGINEERING

Cascade Pole Site Capping**

Completion of Phase 3 of the Cascade Pole cleanup actions will include the capping of the confinement cell and the completion of the tower foundations for the KGY radio antenna. DOE has already approved these cleanup actions. Pending approval by Ecology, the port will also incorporate the cleanup of the area just to the west of the confinement cell by removing material and incorporating the contaminated material into the cap over the confinement cell. Completion Date: December 2008.

Complete Comprehensive Plan (Scheme of Harbor Improvements) Update

The staff will recommend to the commission formally adopting a document that combines the appropriate updated sections of the Comprehensive Plan into a single document that identifies it as the Comprehensive Scheme of Harbor Improvements as called for in RCW 53.20.010. This will further clarify the intent of the port to accomplish its development activities as called for in the code. Completion Date: July 2008.

PORT WIDE

Adopted Operation Budget – Meet or Exceed

The staff will be responsible for achieving or improving the final end of year budgets for all departments.

Community Advertising and Promotion / Events

Ms. Kari Qvigstad presented the Commission with the listing of 2008 Commission Approved community advertising and promotion program. She noted that the Commission approved the following in the 2008 budget:

- Swantown Boatswap & Chowder Challenge. Commission approved event expenses at **CANCELLED** sponsorships and sales to \$13,000 for a net investment by the Port of Olympia. This event is cancelled due to parking availability on the Port Peninsula due to redevelopment of East Bay and other expansion projects.
- Fly-In. Commission approved financial support at \$2,500 and in-kind support contribution (est. \$5,000).
- Harbor Days & Marine Terminal Tours. Commission approved financial support to South Sound Maritime Heritage Association at \$1,700 for combined Harbor Days weekend activities. They also approved continuing to provide in-kind support to Behavioral Health Resources for Swantown Regatta for use of Port facilities. These events emphasize Olympia's working waterfront and maritime heritage.
- Sand in the City. Commission approved financial support at \$2,500 and in-kind contribution (est. \$10,000).
- Music on the Plaza. Commission approved financial support at \$2,500, and in-kind contribution (est. \$650).
- Marine Terminal Tours. The Commission directed staff to add \$3,000 for marine terminal tours. Staff will develop a plan to implement a public tour program in conjunction with community events.
- Capital Lakefair. Capital Lakefair requested funding from the Port at \$5,000 for security expenses and temporary fencing. They also asked for in-kind support at an estimated \$10,000 for berth space, utilities, staff time for setting up temporary fencing as well as staff time for coordinating with military personnel, etc. The Commission did not approve this request in the 2008 budget.

Ms. Qvigstad indicated that since the Boatswap and Chowder Challenge was cancelled, the \$6,000 could be allocated elsewhere.

Commissioner Telford asked what it would cost for security and fencing for the Lakefair event. Mr. Amador indicated that for a three-day event it would cost \$3,000 – Lakefair is a five-day

event, and would cost approximately \$5,000. Commissioner Telford suggested we shift the funding from the Boatswap & Chowder Challenge to fund Marine Terminal Tours at Lakefair.

Bob Barnes, the Lake Fair President, indicated that Lakefair generates \$3 million a year for Thurston County and the City of Olympia. He commented that the community is behind this event, but they need support from the Port. He indicated they would like to invite the Navy ships to the Port.

Commissioner Telford indicated that he had talked to the ILWU president and they were supportive of the tours. Commissioner McGregor said that last year the ILWU had expressed interest in helping to fund this event and maybe they would also contribute. The Commission agreed that \$5,000 of the Chowder Challenge funds would be moved to fund these tours.

Also, based on remaining funds and experience, tours would also be conducted during Harbor Days. The Commission clarified that the Port would invite and host any visiting ships during community events and would establish security procedures in consult with the visiting ships. Local civic organizations would not be involved in either the tours or security.

Planning and Advisory Committee (PAC) Work Plan for 2008

The Commission did not discuss the work plan for 2008 at this time.

Discussion of Proposed PAC Resolution

The Commission reviewed the draft resolution submitted by the PAC members. They indicated that it needed more work. They suggested that the section on duties should include language such as the PAC will serve at the will of the Commission as community representatives. In addition, the section on staff and budget should be eliminated. They also wanted the Work plan section rewritten. They wanted more discussion on the open meetings, public records, and public comment issues. They wanted the officers and terms more defined.

Mr. Galligan suggested that he work on revising the resolution to address the issues raised by the Commission and bring this back to a future meeting.

Commissioner Telford distributed a draft resolution regarding the Real Estate Reinvestment Fund to the other Commissioners and Mr. Galligan for discussion at a future meeting. He indicated he was proposing setting up a capital fund.

ADJOURNMENT

President McGregor adjourned the meeting of February 19, 2008 at 4:24 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer