



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

**January 12, 2009**

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**CALL TO ORDER**

President McGregor called the meeting of January 12, 2009, to order at 5:34 p.m. at the Comfort Inn in Tumwater. Commissioners Barner and Telford were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Program Assistant Lorie Watson, Airport Director Rudy Rudolph, Harbor Director Bruce Marshall, Marine Terminal Director Jim Amador, Engineering Director Jeff Lincoln, Marketing and Business Development Director Kari Qvigstad, Senior Manager Property Development Heber Kennedy, and Special Projects Coordinator Jennie Foglia-Jones. Bob Goodstein and Carolyn Lake, Port's Legal Counsel, were also in attendance.

Public in attendance who filled in the sign-in sheet were as follows: Chami Ro, Tammy Dickinson, Austin Beaumont, Sharron Coontz, Anthony Chavez, Bill Pilkey, Mike Dexter and Sandra Kozlowski.

**APPROVAL OF AGENDA**

The agenda was approved as presented.

**COMMISSIONERS REPORTS**

Commissioner Telford reported that four Port staff members and four Port Advisory Committee members volunteered to attend the recent community conversations on civil unrest in the community. He indicated that he has invited them to provide feedback to the Commission about the conversations and anticipates that this might be put on a future work session agenda.

Commissioner Barner indicated that he attended a CLAMP meeting on January 8, and didn't attend this month's SWAC meeting because it was cancelled. He also reported that on Saturday he participated in a discussion about the possibilities of rail into Olympia in the future and the Port's potential role. In addition, he indicated that he spent a day at Black Hills High School as an invited guest in three classes to talk about the Port's role in economic development in the community and also about the demonstrations held last year.

President McGregor reported that he participated in a plaque presentation to the Lavieen Rose, which was in port last week. He also attended the Lacey Chamber meeting last Wednesday, at which the guest speaker was a consultant who talked about the hiring process and how to hire the right people. He commented that it was very interesting and he would be sharing the information he picked up with Mr. Galligan.

President McGregor reported that the Commission held an executive session at 3:45 p.m. today at the Olympia Airport office conference room to discuss evaluation of the Executive Director and lease negotiations in accordance with RCW 42.30.110(g)(c). The executive session was adjourned at 5:10 p.m. and no decisions were made. The Commission will hold another executive session at the next meeting to continue their discussion.

**EXECUTIVE DIRECTOR REPORT**

Mr. Ed Galligan reported that we received over fifty applications for our Controller position, and about forty for the Director of Finance position. He indicated that we anticipate completing the screening process this week and completing the hiring process no later than mid-February. He also indicated that he has hired outside services of a CPA firm to begin the process next week to close the books for 2008 and prepare for the audit as an interim step to fill the void until our positions are filled. The new persons will have someone to fall back on. He thanked Kim Peterson who has been very generous in giving her time and in briefing the CPA firm.

Mr. Galligan also reported that we just finalized a license agreement for the gravel lot on Washington Street, which will bring in \$47,000 per year for temporary parking.

Mr. Galligan indicated that Resolution 2007-16 requires that the Port's property pricing be updated at the commencement of each year. He noted that as part of this process, the Commission authorized a contract for \$35,000 for the appraisal of 22 parcels. Mr. Galligan reported that not only did the contract come in about \$10,000 under budget, but we also saved about \$400 per parcel due to our bundling the parcels for appraisal.

Mr. Galligan reported that the Olympia City Council is currently redrawing the boundaries for the property tax abatement district and indicated that President McGregor sent a letter to the Olympia City Council requesting the East Bay development area be included in the property tax abatement district.

Mr. Jim Amador provided a brief report on the Lavieen Rose. A plaque presentation on the vessel was held. He indicated the operation went well due to the partners we had. Mr. Amador commended the ILWU for a safe and good operation. He indicated that there were over 1600 hours of longshore work on the vessel while it was in, and this doesn't include truck drivers, yard workers, office staff, or the stevedore company. He reported that a total of \$104,000 in direct payroll was put back into our community and citizens of Thurston County because of this operation.

## **LEGAL COUNSEL REPORT**

Ms. Carolyn Lake provided the Commission with an update on the status of legal activity since the December 8, 2008 Commission meeting.

Ms. Lake reported first on the status of the West v. City Of Olympia, City Of Olympia Hearing Examiner, Port Of Olympia, Washington Cities Insurance Authority, Thurston Co. Sup. Ct. No. 08-2-01949-4. She indicated that this matter began as a Show Cause action brought by Mr. West against the City of Olympia on public records issues. After the Examiner denied Mr. West's appeal of various permits issued to the Port and Weyerhaeuser Company (GLG Matter No. 37 & 39), Mr. West amended his Complaint to include causes of action against the City of Olympia hearing examiner, the Port and City. Ms. Lake indicated that on December 12, 2008, the Thurston Court Superior Court granted the Hearing Examiner's Motion to Dismiss. The Court found that the Examiner has judicial immunity from law suits related to decisions made by the Examiner as the Examiner is acting in a "quasi-judicial" manner (i.e. acting as a judge). The Examiner's attorney also requested sanctions against Mr. West; the Court admonished Mr. West on procedure but declined to impose a monetary penalty.

Ms. Lake also reported on the Janice Witt, Walter Jorgenson and Steve Mason appeal of City of Olympia's land use approval granted to Weyerhaeuser. This is an appeal to Superior Court from the City of Olympia Hearing Examiner Decision which upheld the Weyerhaeuser approval. Ms. Lake indicated that last Friday, January 9, 2009, the Superior Court held what was the first and now last hearing in that case, as the Court granted Weyerhaeuser Company's Motion to Dismiss the appeal. The Court agreed that the appellant (Witt Jorgenson and Mason) lacked standing to bring the action.

Ms. Lake reported that Mr. West also has appealed the City Examiner's decision dismissing his related appeal of the Weyerhaeuser land use approval as well. Motions to Dismiss have been filed in that case also, with hearing date set for March 6, 2009.

Ms. Lake also reported that the briefing in the Commissioner Recall case is almost complete. She indicated that Mr. West filed his opening brief and we filed our Reply. She also indicated that Mr. West filed his response brief recently; however, the Supreme Court Order last week rejected his reply brief. He has until January 20, 2009 to file a corrected brief. Thereafter oral arguments will be held. Ms. Lake added that no date has yet been set for oral arguments.

## **PUBLIC COMMENT**

**Chami Ro**, representing the Comfort Inn and Guesthouse Inn, thanked the Commission for holding the meeting. She introduced Tammy Dickinson and Austin Beaumont, also representing the hotels. She commented that business has been slow and unfortunately, they have not been able to escape from the recession. She asked what the City of Tumwater, Port and business could do to boost the local economy. She indicated that the lack of access to their hotels from Tumwater Boulevard is hurting business and suggested that they would like to work with the Port and the City to improve access.

**Tammy Dickenson** further explained how the median on Tumwater Boulevard restricts guests from getting to their facilities. She also suggested that better signage is needed, as there is currently only a small hotel sign. Ms. Ro added that when you don't have good access, you also

restrict the ability of the Port to develop the empty lots that are next to the hotels. She said she would guess those lots are released due to the lack of direct access.

**Austin Beaumont** asked if property tax breaks could be considered to encourage new business in the area and said he would like to know what the plans are for this area for the Port and City going forward.

**Bill Pilkey** asked why testing of the dredge material for dioxins and other contaminants was not being done before moving the soils out of Port property. He also questioned staff's ability to do a financial analysis on the Marine Terminal. He expressed concern with the Port basing their budget on an assumed twenty-five ships for the year and commented on news that he'd heard Weyerhaeuser wants to sell seven ships. He also questioned why we haven't filled the Finance Director position yet.

**Mike Dexter**, from the Visitors Convention Bureau, thanked the Commission for their continued support of the VCB. He added that they've been blessed with ten years of working with Kari Qvigstad's help with the VCB, and welcomed whichever Commissioner would be taking her place as a representative of the Port.

Commissioner Telford responded to comments from those representing the hotels that we will find out tonight about the City of Tumwater's wayfinding project and whether it will help the two hotels. He indicated that signage has been an issue for him and asked staff to take a look and see what we can do if money is in the budget for wayfinding signage. Commissioner Barner suggested that perhaps the lack of access signage could be improved to help people even as far as a half-mile away to find the existing route to the hotels, and suggested the VCB could be a source of support as well.

President McGregor asked Mr. Jeff Lincoln to respond to Mr. Pilkey's question about testing of dredge material. Mr. Lincoln confirmed that the residual (what's remaining in the water) would be tested per the Agreed Order. He added that the material that's leaving would not be tested, as it is not classified as hazardous material. He noted that it will be in sealed rail cars and has already been characterized. President McGregor also responded to Mr. Pilkey's comment about Weyerhaeuser selling seven ships and clarified the information, adding that there would be no affect on ships that come here.

## **CONSENT CALENDAR**

### **Minutes Approval**

The minutes from the December 8, 2008 Commission Meeting and December 10, 2008 Work Session were unanimously approved.

### **Bills and Voucher Approval**

The bills and vouchers batches 45-48 were unanimously approved in the amount of \$1,984,397.71. General Fund Checks Issued: 047824-048071. Voided Checks Issued: None.

### **Weyerhaeuser Lease Assignment**

This is an assignment by Weyerhaeuser Company to Weyerhaeuser NR Company of all rights and obligations associated with the lease. The lease is assigned as of January 1, 2009. The lease remains in full force and effect and will not be modified or terminated by the Landlord based on this assignment. The assignment shall not release tenant from any obligations or responsibilities to be performed by the Tenant under the Lease

The Commission unanimously ratified the lease assignment from Weyerhaeuser Company to Weyerhaeuser NR Company.

In response to a question from Commissioner Barner about the structural change within Weyerhaeuser, Mr. Anthony Chavez, representing Weyerhaeuser, explained that the restructuring is administrative in nature and will have no affect on their operations.

## **ACTION CALENDAR**

### **Commission Elections**

At the first of each year, the Commission elects officers for the year. The appointments are effective immediately and run through the first meeting of the following year.

Commissioner Barner moved to adopt the structure currently in place with Commissioner McGregor as President, Commissioner Telford as Vice President and himself as Secretary-Treasurer. Commissioner Telford seconded the motion. Commissioner Telford indicated that under normal conditions the Vice President would rotate to President. He indicated that this is his last year on the Commission and it would be nice to be President. He added that the only person with experience next year will be Commissioner McGregor, if re-elected, and that would mean that three years succession is possible. He also added that the Secretary/Treasurer needs to pay closer attention than normal to investments since we have been lacking in a Finance Director. Commissioner Barner withdrew his motion and Commissioner Telford withdrew his second.

Commissioner Barner moved to fill the appointments as follows:

Commission President – Bill McGregor  
Commission Vice President – George Barner  
Commission Secretary/Treasurer – Paul Telford

Commissioner Telford seconded the motion. The motion passed unanimously.

### **Commissioner External Assignments**

At the first of each year, the Commission has traditionally discussed assignments for representing the Commission at various councils and boards. The following representation was unanimously approved:

Commissioner McGregor: Yelm Chamber  
Lacey Chamber  
Mayor's Forum  
CLAMP (Alternate: Barner)  
Visitors Convention Bureau

Commissioner Telford: Tumwater Chamber  
Grand Mound Chamber  
Tumwater Downtown Association  
Olympia Thurston County Chamber  
Economic Development Council (Alternate: Barner)  
\*\*Internal Rep – Security Plan

Commissioner Barner: Olympia Downtown Association  
Transportation Policy Board (Alternate: Telford)  
Tenino Chamber  
Solid Waste Advisory Committee  
Washington Public Ports Association

### **Expanded Scope – Anchor Environmental – Berths 2 & 3 Dredge Project**

Mr. Jeff Lincoln presented a request to expand the scope of an existing Architect and Engineering contract with Anchor Environmental, LLC, for engineering services associated with the Berths 2 and 3 Dredging interim action.

Mr. Lincoln provided background on the project, indicating that on July 9, 2008, the Port staff issued an Architect/Engineer Services Agreement to Anchor Environmental, LLC to provide regulatory support and preliminary engineering design services for an interim cleanup action of the Port's Marine Terminal Berths 2 and 3. This contract was for an amount not to exceed \$25,000. On August 11 and September 8, 2008, Commission authorized increases to this contract in the combined amount of \$310,610, bringing the total authorized amount to \$335,610.00.

Mr. Lincoln indicated that the scope of work was broken up into three separate phases for Port tiered approval purposes. Phase 1, covered by the previous scope of work, included review and assessment of existing information, initial planning and permitting support, and conceptual level engineering design. Phase 2, also covered by the previous scope of work, included support engineering design activities to produce bid documents, and ongoing permitting support work, and additional testing and analysis as required by the Department of Ecology.

Mr. Lincoln reported that this Phase 3 scope of work includes water quality monitoring and reporting, post-dredge sediment sampling collection, testing and reporting, and construction support, as required in the Agreed Order and the Corps permit. He indicated that water quality monitoring will be conducted in accordance with the final Water Quality Monitoring and

Sediment Sampling Plan (Plan). A draft Plan has been submitted to Ecology and the Corps for review; however, final approval from Ecology and the Corps has not yet been received.

Mr. Lincoln provided the following proposed tasks and anticipated costs for Phase 3 efforts to be performed by Anchor Environmental:

Summary of Anticipated Phase 3 Costs		
Task #	Task Description	Anticipated Cost
Task 1	Water Quality Monitoring	\$76,713
Task 2	Construction Support	\$29,809
Task 3	Field Sampling	\$10,517
Task 4	Analytical Testing	\$25,040
Task 5	Completion Memorandum	\$19,674
Task 6	Port and Agency Coordination	\$14,884
Total		\$176,638

Mr. Lincoln requested that the scope of work for Contract No. 2008-1022 with Anchor Environmental, LLC be expanded in the amount of \$176,638.00. He reviewed the cost of this contract and its increases as follows:

Original Contract (Executive approval)	\$25,000.00
Authorized Increase (Commission meeting of 8/11/08)	\$232,916.00
Authorized Increase (Commission meeting of 9/8/08)	\$77,694.00
This Increase Request	\$176,638.00
Total Revised Authorization:	\$512,248.00

He noted that the previous amount expended on this project with consultants was \$300,000 for a total amount of \$812,000. He also indicated that we are \$300,000 below budget for this phase of work.

Commissioner Barner moved the Executive Director be authorized to expand the scope of work for Contract No. 2008-1022-1009 with Anchor Environmental, LLC in an amount not to exceed \$176,638.00, for a total authorization of \$512,248.00. Project No. MT0601. Commissioner Telford seconded the motion.

Commissioner Barner asked if this action today sets the scope of the entire range of work to be done by Anchor Environmental or if we expect additional changes. Mr. Lincoln responded that we are not anticipating any changes for a year. Commissioner Barner asked that quarterly or monthly summary reports be done.

The motion passed unanimously.

#### **Expanded Scope – David Evans & Assoc. – Berths 2 & 3 Dredge Project**

Mr. Jeff Lincoln presented a request to expand the scope of work for an existing Architect and Engineering Contract No. 2008-1012 with David Evans and Associates for survey services associated with the Berths 2 and 3 Interim Action Dredging, Capital Project MT0601.

Mr. Lincoln provided background on the project, indicating that in March 2008, the Port contracted with David Evans and Associates to provide personnel and equipment necessary to conduct a high-resolution pre-dredge bathymetric mapping of berths 2 and 3. A real-time global positioning system was deployed on an existing monument to provide both horizontal and vertical control for the survey. Bathymetric maps, hillshade images, AutoCAD files, and volume computations were deliverables at the conclusion of the survey.

Mr. Lincoln reported that following berths 2 and 3 interim action dredging, a post-dredge survey will be required, and will be used to calculate the official dredge volume for the project, and is a requirement of the Agreed Order and Corps Permit.

Mr. Lincoln also indicated that David Evans and Associates will accomplish this post-dredge survey again conducting a high-resolution bathymetric mapping of the waterway. They will be using a multibeam swath mapping system, with a global positioning system for precise positioning and water level elevations. This method will achieve accurate, timely and repeatable results. The crew will be supervised by an ACSM certified hydrographer and will adhere to the US Army Corps of Engineers hydrographic surveying specifications.

Mr. Lincoln provided the following budget and contract cost summary:

Original Authorization	\$24,500.00
This increase request	\$14,800.00
Revised Total Authorization:	\$39,300.00

Mr. Lincoln noted that pursuant to Resolution 2008-17, Commission approval is required for Architect/Engineering Services exceeding \$25,000, when selection was not made through a competitive process. He requested that the scope of work for Contract No. 2008-1012 with David Evans & Associates be expanded in the amount of \$14,800.

Commissioner Telford moved the Executive Director be authorized to expand the scope of work for Contract No. 2008-1012 with David Evans and Associates in an amount not to exceed \$14,800.00 for a total authorization of \$39,300.00. Project No. MT0601. Commissioner Barner seconded the motion.

The motion passed unanimously.

## **ADVISORY CALENDAR**

### **Resolution 2009-01 – Surplus Property**

Mr. Ed Galligan presented, as advisory only, Resolution 2009-01 authorizing the Director of Finance to dispose of surplus Port District property of less than \$10,000 in value, in accordance with RCW 53.08.090.

Mr. Galligan indicated that staff will recommend the Commission approve Resolution 2009-01 – Disposal of Property at the January 26, 2009 meeting.

President McGregor read the resolution aloud for the benefit of the viewing audience.

President McGregor noted that the position title for the Director of Finance is inconsistent in the document and requested it be made consistent in the resolution.

### **Resolution 2009-02 – Signature Authority**

Mr. Ed Galligan presented, as advisory only, Resolution 2009-02 authorizing the signatures for disbursement of Port funds from various brokerage and banking accounts for the Port of Olympia.

Mr. Galligan indicated that staff will recommend the Commission approve Resolution 2009-02 – Signature Authorization at the January 26, 2009 meeting. He indicated that when the positions of Finance Director and Controller have been filled, the staff will come back with a revised resolution.

President McGregor read the resolution aloud for the benefit of the viewing audience.

## **PUBLIC COMMENT**

No comment was given.

## **ANNOUNCEMENTS**

President McGregor announced that the Commission would hold a joint meeting with City of Tumwater beginning at 7:00 p.m. immediately following tonight's regular Commission Meeting.

President McGregor recessed the regular Commission meeting of January 12, 2009 at 6:40 p.m.

## **CALL TO ORDER JOINT MEETING WITH CITY OF TUMWATER**

The joint meeting with the Port of Olympia and the Tumwater City Council was called to order at 7:00 p.m. at the Comfort Inn in Tumwater.

## **ATTENDANCE**

**CITY COUNCIL:** Mayor Ralph Osgood, Mayor Pro-Tem Pete Kmet, Councilmembers Joan Cathay, Judith Hoefling, Neil McClanahan, Karen Valenzuela, and Bruce Zeller, and City Manager Doug Baker. Councilmember Ed Stanley was unable to attend.

**PORT COMMISSIONERS:** Paul Telford, George Barner, Bill McGregor, and Executive Director Ed Galligan.

Port Commission President McGregor welcomed the attendees and announced that the agenda would be revised to allow time for public comment at the beginning of the meeting.

### **Public Comment**

**Ken Bragg** expressed his concern about doing the February 3<sup>rd</sup> special election and Timberland Library's levy lid lift. He commented that it seems like an odd time to do so when other agencies are making due with reduced budgets. He also expressed his concern about the cost of running the special election, and Timberland Library's decision not to produce a voter's pamphlet, thus keeping voters from seeing the pros and cons of the issue.

**Chami Ro**, representing the Comfort Inn and Guesthouse Inn, commented that she has already addressed their issues with the City and Port and proposed a joint conversation to further address them. She commented that some cities in Washington State offer incentives for businesses to open in their cities, such as delaying property tax, and proposed consideration of this or other ideas. She also addressed their concern about the lack of accessibility off Tumwater Boulevard and shared that the City of Federal Way has done some creative work on dealing with this same type of problem.

### **Storm Water Infrastructure for Tumwater Boulevard & Town Center**

City Public Works Director Jay Eaton provided a report on the Tumwater Boulevard storm water facility. He reviewed the history, providing that in 1999 the City of Tumwater pursued grant funding from the Transportation Improvement Board (TIB) and requested participation and partnership with the Port to move forward on the grant. Discussions centered on the Port providing land and dedication of right-of-way and the Port agreed to participate. Mr. Eaton included that the City moved forward with the grant and was awarded funding by the TIB. As the City moved forward with design, the primary focus of land from the Port dealt with storm drainage and the original design split the project into two drainage basins.

Mr. Eaton indicated that in 2003, the Port expressed interest in a regional facility for the Tumwater Town Center area and taking storm water farther east towards Bonniewood Drive, and asked the City to look at other options for drainage. The City did a study and learned it is possible to do a conveyance system, however at the same time, road construction was already underway.

Mr. Eaton reported that in 2006, the City and Port negotiated an agreement for dedicated right-of-way and the construction by the City of an interim pond to accommodate roadway storm water, while pursuing construction of a regional facility. He indicated that the idea of a regional facility has gone by the wayside due to environmental and financial considerations. He explained that the agreement specified that a permanent solution for the Tumwater Boulevard storm water infiltration would be determined by December 31, 2008, which is also when the agreement expired. He indicated that the agreement states a permanent solution might include a regional storm water facility, alteration of the interim pond, or other option. He noted it is up to the City to bring something to the Port as a recommendation on where to go from here. He added that options are limited and continuing to the east is really the only option, but that property has all the same challenges and is predominantly Port-owned. Mr. Eaton indicated that they plan to bring a proposal to the Port to see what can be done to convert the interim storm water pond to a permanent facility.

Commissioner Telford asked if the concept of a permanent facility includes underground vaults and noted that a major issue is FAA's concerns with open ponds. Mr. Eaton responded that underground vaults are something that could happen but it would be costly. Mayor Osgood suggested this topic be referred to the public works sub-committee and include Port staff to discuss a workable solution.

Councilmember Kmet asked what the Port's plans are for handling storm water, not only in the Tumwater Town Center, but also the ProLogis development area as well, and whether further work has been done on a regional storm water facility. He also commented that if we are going to be talking about this it needs to be more than Tumwater Boulevard as there are storm water issues on the west side as well.

Port Senior Manager of Property Development, Heber Kennedy commented that an engineering study was done last year to look at overflow activity near Kimmie Road and this year an analysis would be done on the best way to handle storm water in that area. Port Marketing and Business Development Director Kari Qvigstad indicated that currently tenants are addressing their own storm water needs on their leased parcels.

Commissioner Barner commented that discussions should include ways to reduce the amount of runoff that has to be handled in a storm water facility and cited Tumwater's historical park as an example of such.

President McGregor asked about the impact of the interim storm water pond on the airport and the emphasis by the FAA to get something resolved. Airport Director Rudy Rudolph responded that he agreed with the Mayor that there are a lot of technical issues at play. He noted that original discussions of a regional facility are now further complicated by the fact that Mazama pocket gophers are on the land that was originally contemplated for a regional facility. He indicated that the FAA has been very cooperative as we develop this interim agreement and he is confident they will continue to be so, as long as we are making a good faith effort to make progress.

Mayor Osgood confirmed that this topic would be referred to the public works sub-committee with Port involvement.

### **Perimeter Trail Plan for the Airport**

City Parks and Recreation Director Chuck Denney provided information on a proposed plan for an Airport Loop Trail. He indicated that in 1997 the City adopted the Tumwater Trails Plan after extensive public outreach. Part of the plan is a trail system that includes creating a loop going around property owned by the Port and within the Airport.

Director Denney provided a map indicating the conceptual plan for the basic route of the trail. He noted that this portion of the trail is 10' wide with 2' shoulders and added that it would be fairly expensive to construct the trail and its amenities. He indicated that the City is looking for cost savings, including partnerships with businesses, the Port or other agencies. He also added that part of the plan might include creating wetlands and putting the trail through that.

Councilmember Kmet commented that there's a conceptual plan to bring the trail across the property south of the airport along the gas pipeline easement, and another opportunity is potentially utilizing the oil pipeline right-of-way as well. He added that a difficult part is how to get to the area south of the airport. He indicated that it would be nice to take this to the next level of discussion so we can have some conceptual agreement on where these trails could go. He requested staff find time to sit down and talk about potential opportunities to collaborate.

Mayor Osgood indicated that the Parks Board will be working on this.

Commissioner Telford commented that the Port would mention this proposed trail project to those who will be working on the upcoming project of reassessing the NewMarket Industrial Campus.

### **Wayfinding Signs**

City Planning Manager Tim Smith provided information on the Tumwater Wayfinding Signage Master Plan. He indicated that in 2006, the Visitor and Convention Bureau (VCB) approached the three cities regarding wayfinding plans with the goal of attracting tourism to the local areas of interest. He indicated that in 2007, the City provided funding and convened a committee to work with Ilium, a sign design consulting firm, to develop a master plan for Tumwater. The wayfinding committee consisted of Port staff, the City, VCB and local business people. A draft master plan was presented to the City Council and the final draft was adopted in December 2008.

Mr. Smith provided a review of some of the components of the master plan. He shared six different options for the wayfinding sign face layout, indicating that the City will need to select a preferred style. He shared that banners are also included in the plan, particularly along Tumwater Boulevard. He also provided information on the options for sign types and for how to capture destinations on a sign.

Mr. Smith indicated that the implementation of the signage plan will occur in four phases:

- Phase 1: Historic District
- Phase 2: Capitol Boulevard
- Phase 3: Tumwater Boulevard
- Phase 4: Town Center

He added that the consultant recommended each phase be completed 100% before going to the next phase, and except for Phase 1, the phases can be switched around. Mr. Smith indicated that

the next step is implementation of the plan and noted that the City has \$20,000 in the Capital Facilities Plan for wayfinding signs.

Councilmember Valenzuela expressed concern about the differences between the signs for the Port and those for the City and asked about the proximity between them. She specifically expressed concern about the monument signs looking so different. Mr. Smith responded that this program was mutually embarked upon by the City and the Port. Ms. Qvigstad also responded that there is compatibility with the signage plan for the City and the Port. She added that the signs are not intended to look the same, but are intended to integrate and be compatible.

Councilmember Hoefling commented that when we were first working on the committee, the Port and the three cities worked to find common elements, but with each city having their own unique element. She noted that it is the same signage look but with different colors, and monument signs will be different as well. She added that visitors coming to our area will be aware they are in the same city, but in different “boroughs” so to speak.

Councilmember Kmet added that the idea is that this becomes a predominant sign format along Tumwater Boulevard, and as we start to invest in the signs, he wants to make sure the plans are compatible and integrate well with each other.

Commissioner Telford commented that he hopes for cooperation from Tumwater on directional signage so people who don't know the area can find their way in and out, especially with the inability to make left turns on Tumwater Boulevard. For people not familiar with the area, nomenclatures like NewMarket Industrial Campus don't mean anything.

Mr. Smith indicated that the next phase of the contract is to address a gateway sign that would be located at the roundabout at NewMarket Street and Tumwater Boulevard.

Commissioner Barner asked whether the City would be signing specific businesses and asked for some sensitivity to the lack of access off the main thoroughfare. He added that perhaps more directional signs are needed. Mr. Smith indicated that individual businesses would not be signed; the idea from the VCB is to promote tourism by bringing people in and drawing them to local attractions. He noted that a couple years ago the City allowed off-premise signs to go on Port property for businesses, subject to a conditional use permit.

President McGregor commented on the inability to turn left on and off Tumwater Boulevard and indicated it impedes development along there since people can't easily turn left to get down the roads. Councilmember Kmet responded regarding the center median on Tumwater Boulevard. He said the road has never allowed left turns into a side driveway and the reason is that you can't have left turning traffic on a busy street without a turn lane. He also commented that Port staff was involved in planning for this area and the design issue was decided a long time ago. He added that signage is the key.

### **Storm Water Mitigation through Wetland Purchases**

City Planning and Facilities Director Michael Matlock reported that one of the ideas that surfaced at Tumwater is the concept of using wetland mitigation banking with a storm water facility. He shared that wetland mitigation banking is being considered quite a bit by counties and cities, but the execution of a wetland mitigation bank is not simple. He indicated that in preliminary discussions with the Department of Ecology, there may not be a way to combine those two projects. They discourage it due to fluctuations of water levels not being compatible with a healthy wetland. He added that there are some pilot projects underway right now so Ecology can understand what are the issues and challenges.

Commissioner Barner suggested dialogue with engineering departments of the cities, county and Port to get creative to solve the problem of the storm water issue, and discuss ways to arrest the water and keep it on site rather than having it run off into storm water facilities. He also suggested that road shoulders and sidewalks of permeable concrete could be an option.

Mayor Osgood commented that this topic folds right into the previous discussion about storm water as a larger issue.

Councilmember Kmet noted that we have major flooding in the Salmon Creek basin and much of the Port property in the Tumwater drains to that area. He added that if the Port is interested in planning a corporate park, the storm water might end up in that area. He asked for a joint look at how we integrate some kind of storm water mitigation including wetlands.

Councilmember Hoefling added that she sees many benefits to wetland banking and would like to continue that conversation.

### **Air Emissions & Noise Study – Port Contribution**

Director Jay Eaton reported that early in 2008 the Tumwater City Council looked at the city's truck routes and discussed potential modifications. He indicated that the City has had several annexations in recent years. The Tumwater municipal code designates certain city streets as truck routes, however, in areas of annexations, truck routes were not included. He noted that one of the areas of discussion is the southern area of the City, much of it on Port property between 83<sup>rd</sup> Avenue, Kimmie Street, and 93<sup>rd</sup> Avenue. These roads are not truck routes in the City of Tumwater.

Mr. Eaton indicated that a number of folks have talked to the City about truck routes, much of that when we were seeing significant development opportunities going on in those areas. He reported that the City Council directed staff to look at going through an environmental process through SEPA before making modifications to the code. He indicated that the Council wanted staff to expand what we would normally do under SEPA, and look at alternatives for truck routes in this area, predominantly looking at noise and emissions. He added that staff felt they needed a consultant with a scientific basis, and a scope of work was created and brought to the Council. He indicated that the City Council requested going to the Port for funding, but the Port was not in agreement. Mr. Eaton indicated that staff is asking for reconsideration. He noted that 20% of the budget is for as-needed services.

Mr. Eaton provided a map showing the existing and proposed truck routes, which include designation of Kimmie Road, which would connect Port property to 93<sup>rd</sup> Avenue. Another option is the Case Road corridor, which skirts residential areas but is not as direct. Mr. Eaton added that on the emission component of the study, the firm would project truck traffic and types of emissions, and pull data and information together on health risks on emissions to see how this area would fare.

Mayor Osgood commented that the question about contributing to this study was broached with the Port mid year 2008 and was denied. He asked if the Port Commission is interested in splitting the cost of the study fifty-fifty.

Commissioner Telford responded that first the Port needs to look at the results of its own upcoming project of reassessing potential development in the NewMarket Industrial Campus. He also noted that I-5 is right next to this area and suggested consideration of putting an on-ramp between Tumwater Boulevard and 93<sup>rd</sup> Avenue.

Mr. Kennedy asked whether the study covers all truck routes or just Kimmie Road, and Mr. Eaton responded that the SEPA checklist is for changes to all the truck routes, however he suspects there would be little impact on truck routes in other developed areas.

President McGregor asked Port staff to overlay the City's proposed truck routes on the Port's property map.

### **Bulk Oil Plant on Linderson**

City Director of Development Services Roger Gellenbeck presented background on the issue of the bulk fuel facility located at 7370 Linderson Way on the NE corner of Tumwater Boulevard and Linderson. He indicated that this property was developed as a bulk fuel facility in the mid-1960's before it was in the City of Tumwater. In 1998, the City was approached by Texaco Refining and Marketing seeking to expand the facility by constructing a 1.8 million gallon storage facility. He reported that under the zoning at that time, this was allowed under a Conditional Use Permit, which required a finding of consistency with the Tumwater Comprehensive Plan. The Tumwater Hearing Examiner recognized that the expansion could be allowed conditionally, provided that the use and operation of the facility was limited to the term of the current lease with the Port of Olympia, which expires at 2015. He noted that the Examiner determined that at the end of the lease, the permit would expire and the bulk facility would be removed.

Mr. Gellenbeck indicated that since that time, the City has adopted the Town Center zoning district. He noted that the new zoning district does not permit storage of volatile substances. Consequently, the current use is non-conforming; it is legal, but cannot be expanded. He also noted that the Conditional Use Permit approval for expansion expired several years ago, since Texaco did not do their planned expansion.

Mr. Gellenbeck reported that in discussions with the Port over the years, there has been agreement that this use is not consistent with the City or Port plans for this area, and the Port has agreed they would not renew the lease with the bulk fuel facility. He indicated that the purpose of this agenda item is to revisit and obtain confirmation with the new Port Commission of that agreement.

Mr. Heber Kennedy clarified that the tenant, Equilon's, lease expires in 2010 and they have a 5-year option to extend to 2015.

Mayor Osgood commented that previous discussions with the Port indicated the lease would not be renewed. As this is an incompatible use now, he strongly urged the Port to not renew the lease in 2015. He noted that it is identified in the Port's land use plans that this is not a preferred use. He added that for planning purposes for the tenant, he would think that they would need to start soon on the vacate process.

Commissioner Telford commented that he has concern with giving up a tenant with nothing on the horizon. He added that if we get indications from Equilon that they need until 2016 to vacate, we don't want to commit to something now that would limit our ability to accommodate them.

President McGregor agreed that the discussion with Equilon needs to happen before we get too far down the road on making any commitments.

Commissioner Barner added comment about the President-elect talking about funding for shovel ready projects and about the need to work together to get grants to improve our roads to support truck traffic. He indicated that if we don't get serious about getting together as jurisdictions, we're going to break the bank on road repairs. Councilmember Kmet responded that the City's next major capital project is to redo the overpass for Tumwater Boulevard. He noted that that is a key intersection that ultimately supports Port property, and any help from the Port to raise the awareness and get attention for funding for that would be appreciated.

### **Port of Olympia Planning Efforts**

Executive Director Ed Galligan reported to the Council that the Port recently updated its Land Use Plan and Comprehensive Scheme of Harbor Improvements. He indicated that Ports are regulated under state RCW's, which are different requirements than the Growth Management Act that Cities are regulated on. He added that these updates were principally administrative changes, and nothing took place that really affected Tumwater. He also added that we understand Tumwater is considering proposed amendments to their Comprehensive Plan and wants to make sure the Port is made aware of any proposed changes that might affect the Port.

City Manager Doug Baker responded that we should watch for an update to the Community Economic Impact Plan coming up this year.

### **Reassessment of NewMarket Industrial Campus: Port Advisory Committee (PAC) Assignment**

Commissioner Telford reported that the Port is looking at a reassessment of the NewMarket Industrial Campus. He indicated we have land in Tumwater that doesn't appear to be developable because of wetlands, being in an airport protection zone, etc. He indicated that the Commission will be asking the Port's Advisory Committee (PAC) to consider the NewMarket Industrial Campus, taking a look at the whole picture of development there. If the PAC opts to take on this project, it would kickoff immediately. He added that they would be provided with background on the area, including the storm water issues, Salmon Creek Basin, etc., and proposed to let them come up with ideas for future development of the NewMarket Industrial Campus. He indicated that they might suggest changing district designations, looking at the trail concept, or might come up with other ideas, and perhaps we can further define what is developable.

Mr. Galligan added that one of the goals is to reassess the strategy on warehousing and question if that is the most effective strategy and use out there. The warehousing and light industrial district is one of the districts currently designated. We want a view of the whole campus and will be looking for ideas and thoughts from the PAC.

### **Port Development Updates**

Ms. Kari Qvigstad provided an update on the Port's activities in Tumwater. She presented an overview of the Property Development program, reporting that the Properties program manages 100 leases on Port property, two-thirds of which are presently in Tumwater. Ms. Qvigstad indicated that in addition to leasing activity, Thurston County collects \$1.5 million in taxes from

the Port each year, including \$343,000 in annual leasehold tax and \$1.16 million in annual real property tax from development.

Ms. Qvigstad provided a map of Port property that indicated the leasing activity in Tumwater. She reported that based on the NewMarket Industrial Campus (NMIC) budget revenues, approximately \$188,670 in Leasehold Excise Taxes will be collected in 2009. She added that with 249 acres currently leased at NMIC, it is estimated that existing lessees will yield approximately \$1.2 million in real property taxes to the county each year. Tumwater's share of real property taxes calculates at \$232,940 per year. Ms. Qvigstad noted that the remaining 228 acres at NMIC is estimated to generate annual real property taxes of \$1.1 million and the City of Tumwater would receive approximately \$213,294 per year of that amount. She also noted that this excludes the 317 acres at the Olympia Regional Airport.

Ms. Qvigstad indicated that moving forward, the Port's focus is on Tumwater Boulevard for retail and commercial properties, and flex space/light industrial property. In addition to new options and leases, she reported that the Port has been working hard on tenant retention demonstrated through sub-leases, tenant expansions and recent lease assignments. She indicated that the market is slowing, but projects underway are continuing, including Parsons Plaza, Pioneer Properties and Tumwater Boulevard, LLC. She added that the Tumwater Boulevard expansion and widening makes the commercial corridor attractive for future development.

Councilmember Kmet asked about the status of the ProLogis project. Ms. Qvigstad responded that 32 acres remain under exclusive option to ProLogis, but the remaining property is under a non-exclusive option; if the Port finds another potential development opportunity, we can provide notice to them. She added that the option was recently extended two more years due to the economy.

Councilmember Kmet asked whether the Port was planning to do any investment in the Airport area, particularly the Town Center. President McGregor responded that most of the Port's current emphasis and focus is on East Bay with clean up and development. He indicated that once that project is complete, it will generate revenue to the Port to put back into other areas. He added that the timeframe on East Bay is that we hope to be turning dirt this summer for the Hands On Children's Museum.

Councilmember Hoefling asked if once the East Bay project is complete, will the focus go to the Airport area. President McGregor indicated that focus will move there and to NorthPoint. He added that the Cascade Pole capping project is nearing completion.

Mr. Kennedy commented that the Port has three options within the Town Center totaling about 15 acres.

Commissioner Barner suggested that CERB funding might be an option for joint ventures.

Councilmember Hoefling commented that there are a number of ways Tumwater could ask for the Port's assistance, specifically with their studies. She referenced the earlier comment about funding for shovel-ready projects and indicated that we have a number of them. She commented that we all have a major opportunity to participate in the economic stimulus plan and we need to identify opportunities to take advantage of that. She added that the hope is if that money comes in it would offset money set aside for some of the other projects.

President McGregor indicated that he is working with a team who has put together a brochure showing projects they'd like to see help on from the state level. He indicated that they have met with several representatives and senators over the past weeks and commented that they're trying to get their foot in the door if that money comes available.

Commissioner Barner asked about the status of the brewery property. Mayor Osgood responded that the property is still under private ownership and the price of the property is very high.

President McGregor expressed appreciation to the City Council for coming out and sharing ideas and discussions. He commented that he would like to see us do what we can to help each other, because doing so helps everyone in the county. He thanked the members of the public for attending the meeting.

## **ADJOURNMENT**

President McGregor adjourned the meeting of January 12, 2009 at 9:10 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer