



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

**October 27, 2008**

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**CALL TO ORDER**

President McGregor called the meeting of October 27, 2008, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Barner and Telford were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Harbor Director Bruce Marshall, Marine Terminal Director Jim Amador, Sr. Manager Property Development Heber Kennedy, and Front Desk Coordinator Jessie Bensley. Bob Goodstein and Carolyn Lake, Port's Legal Counsel, was also in attendance.

Public in attendance were as follows: Tim Kraus, Jason Hite, Richard Wolf, Jon Hunter, Chris Aldrich, Harold Clark, Sharron Coontz, Harold Chambers, Scott Kramer, Jim Sheerer, Arthur West, Bill Pilkey, and Bob Jacobs.

**APPROVAL OF AGENDA**

The agenda was approved as revised. Mr. Galligan removed the Comprehensive Scheme of Harbor Improvements Advisory from the agenda.

**COMMISSIONERS REPORTS**

Commissioner Telford noted he attended the Dept. of Ecology open house on the dredge project. He indicated that he also met with the Olympia City Mayor, City Manager and Chief of Police.

Commissioner Barner reported that he attended a transportation commission meeting where they discussed the posture of the state and rail issues. He is expecting a report from the session and will share when he receives it. He reported that he attended Washington Council on International Trade Conference in Seattle. He noted that he also attended a rail conference in Tacoma on Saturday. He distributed an article on organic farming to the Commission.

President McGregor reported that he attended EDC Board meeting and also attended the Dept. of Ecology open house on the dredge project as well.

**EXECUTIVE DIRECTOR REPORT**

Mr. Ed Galligan reported on the lighting at the Marine Terminal. He showed a slide that illustrated the downward lighting when operating at the terminal at dark.

Mr. Galligan indicated that the Visitor & Convention Bureau's new Visitor Maps have been published and the Port of Olympia is prominently displayed as a part of our community advertising & promotion agreement this year. The map is being distributed to visitors and businesses throughout Thurston County.

Mr. Galligan noted that the Joint meeting with the Tumwater City Council is scheduled with in early January.

He reported that following several years of cooperation between the Port of Olympia and the Thurston Visitor & Convention Bureau (VCB) the city of Tumwater is moving forward with directional and identification signs in 2009 that reflect the signage concepts the City of Olympia and Port are using. If interested, a presentation to the Port Commission can be arranged at the joint meeting.

Mr. Galligan indicated that the Patrons of South Sound Cultural Arts (POSSCA) has secured the Port Plaza to hold its annual fundraiser and gala event, July of 2009. This annual fundraiser has been by invitation only in the past, but as part of the 40th Anniversary, POSSCA will open it up to the public next summer. POSSCA is a non-profit organization formed by local businesses dedicated to the promotion of arts and cultural activities in the southern Puget Sound region.

He reported that the EDC Economic Forecast Event has been scheduled for December 11 at the Red Lion in Olympia from 8:30 to 2pm. and the Port of Olympia will be co-sponsoring the event as part of our service contract agreement with the EDC. The annual event draws approximately 200 local decision-makers and community leaders. Attendees will gain insight into current economic factors contributing to the health of the local, regional and statewide economy.

## **LEGAL COUNSEL REPORT**

Mr. Bob Goodstein provided the Commission with a legal report of activity since October 13, 2008 Commission meeting.

He reported on the Appeal of City of Olympia Land Use approval for Weyerhaeuser Company Site Plan (Approval of Buildings & Parking lot), Appeal No. 08-0044-1 and 2. On Friday Oct 17, the City Hearing Examiner issued his Ruling in the Witt et al appeal of Weyerhaeuser's Land Use approval. The Examiner dismissed the Witt appeal, after adding conditions related to noise monitoring for the site. Last week, Mr. West filed a Motion for the Examiner to reconsider his ruling dismissing Mr. West's appeal of the City of Olympia land use approval of the Weyerhaeuser buildings and parking lot. A decision is expected by November 3rd.

Mr. Goodstein reported that Mr. West filed a Motion for Discretionary review to the Washington Supreme Court, asking that the court overturn the Court of appeal ruling against Mr. West's claim that SEPA state environmental policy act trumps any Public Records act exemption. The Court of appeals ruled it did not.

The Court of appeals remanded certain records back to the trial court to determine whether the records were exempt under any basis other than the deliberative process exemption, which the appeals court said did not apply. Rather than wait for remand, the Port made the decision to release the deliberative process records.

The Commission will recall there were three appellants in this public records act suit. Only Mr. West has appealed the court of appeals ruling.

As to the other two appellants, The Port did reach settlement with Mr. Koenig - agreeing to pay a \$10 a day fee (for a total of \$8760) and to pay Mr. Koenig's attorney fees.

The remaining party, Johnson and Jorgenson, did not appeal. Their attorney has withdrawn from the case and has filed a Motion for attorney fees. We are continuing to see if an agreed settlement can be reached.

Mr. Goodstein reported on the West v. Port and City of Olympia Appeal. Mr. West appealed to Ninth circuit Court of Appeals the Federal Court ruling dismissing Mr. West's appeal of dredge approvals.

The City of Olympia has moved to dismiss Mr. West's appeal and the Port is supporting the motion. The Motion maintains that Mr. West's appeal was untimely filed based on federal court rules. The Court is expected to rule on the Motion on Nov 14th.

## **PUBLIC COMMENT**

**Harold Chambers** complimented the Marina Staff for running an exceptional Marina. He asked for gas station at the dock. He indicated that we should use non-profit mailing for newsletters, etc.

**Arthur West** commented on the interim action plan for the dredge commented that the comment period does not end for another week, how can you put it out for bid tonight. He complimented Commissioners for resolution for stopping illegal conduct by protestors and would like the Port to stop the City Attorney from assault.

**Bill Pilkey** touted that he predicted the world economic downturn a year ago and no one listened. He indicated that the Port is preparing another dream budget, predicting the Weyerhaeuser is bringing in dozens of ships this year. Mr. Pilkey also made some queries about some of the Weyerhaeuser lease elements.

**Bob Jacobs** commented on the Community Report issued a month ago. He noted that the publication is irresponsible on many levels. The report does not show the bottom line and it does not show the losses incurred by the Port year after year.

Commissioner Barner indicated that he would like a response for Mr. Pilkey and Mr. Jacobs on their statements.

President McGregor indicated that Mr. Pilkey brought up financial inaccuracies at the last meeting and he was asked to put those in writing. He was not sure that ever happened, as we never received anything in writing. Commissioner Telford indicated in order for him to respond, he would like both Mr. Pilkey and Mr. Jacobs comments put in writing specifically not generally. Mr. Jacobs indicated he would like to sit down with staff or a Commissioner to go through his comments. Commissioner Telford volunteered to sit down with him and review his concerns.

Commissioner Barner suggested that Mr. Pilkey identify the areas of the Weyerhaeuser contract that he finds inaccurate. Commissioner Telford commented that the lease is available and Mr. Pilkey should look at the lease.

President McGregor indicated that we have included funding in the budget to look at a fuel station at the Marina. We did receive a letter with 700 signatures asking the Port to consider this concept.

Mr. Goodstein addressed the ethics complaint from Mr. West received today and what allegedly happened to him at another meeting. He indicated that Mr. West alleges that he was assaulted by a council for the City, not the Port.

## **CONSENT CALENDAR**

**Bills and Voucher Approval.** The bills and vouchers batches 32-35 were unanimously approved in the amount of \$638,456.28. General Fund Checks Issued: 047328-047531.

## **ACTION CALENDAR**

### **Hydrogeologic Consulting Services for East Bay – Award Contract**

Mr. Jeff Lincoln indicated that staff has evaluated the continued testing and pending cleanup actions. The staff believes that there is a great benefit in having a local ground water hydrogeologist on call to support these continued activities.

Mr. Lincoln indicated that on August 21, 2008, the Port staff issued a Request for Qualifications (RFQ) to four (4) Architect/Engineering firms, soliciting information on their qualifications, availability and knowledge of hydrogeologic services related to the East Bay project. The required submission date was September 2, 2008. On that date three firms responded. After a panel of three staff members reviewed and ranked the submittals, two firms were interviewed. The interviews were conducted on October 1<sup>st</sup> and October 8<sup>th</sup>. After the interviews the panel met again to evaluate and rank the firms, at which time Greylock Consulting LLC was selected as the best qualified.

Mr. Lincoln noted that this consultant agreement will be an on-call service order contract which will not exceed \$200,000, to be administered by the Engineering Department, to support planning, site testing and construction during the East Bay Infrastructure project. The hydrogeologist will be required to analyze monitoring wells, artesian wells, and other data to predict sources and quantities of ground water and construction effluent likely to be encountered during construction; as well as work with other scientists and engineers, the Department of Ecology, and Port staff and contractors to develop water treatment protocols and treatment equipment plans and specifications to comply with the permits. Each on-call service order will be discussed between Greylock Consulting LLC and the Port's Project Manager to determine scope of work and deliverables.

Mr. Lincoln indicated that authorization is requested to award an Architect and Engineering Contract No. 2008-1049 to Greylock Consulting LLC to perform hydrogeologic consulting services in association with the East Bay Infrastructure Project No. PR0704.

Commissioner Telford moved to authorize the Executive Director to award and execute an Architect and Engineering Contract No. 2008-1049 with Greylock Consulting LLC to perform hydrogeologic consulting services in association with the East Bay Infrastructure Project No. PR0704 for an amount not to exceed \$200,000. Commissioner Barner seconded the motion. The motion passed unanimously.

### **Real Estate Appraisal – Award Contract**

Ms. Kari Qvigstad reported that as per Commission policy (Resolution 2006-12 and 2007-16) the Port would update its property Market Rate Schedule for available property every year by CPI and every three years through appraisals on real property. She noted that staff issued an RFP to seven firms for 23 parcels to be appraised for parcels less than 10 acres.

Ms. Qvigstad indicated that three firms responded and staff judged the RE-SOLVE Appraisal LLC as the lowest responsive proposer. Such changes will be reflected in 2009 Market Rate Schedule due for adoption through the annual rate resolution this December. Staff budgeted for this service in the 2008-operating budget.

She indicated that staff is requesting authorization for the Executive Director to sign Professional Services Agreement No. 2008-1052 with RE-SOLVE Appraisal, LLC for appraisal of 23 parcels located at the Port's Tumwater and Olympia properties in the amount of \$28,900.00

Commissioner Telford indicated that the agreement is for time and materials, but it appears to be a fixed price. Ms. Qvigstad indicated that it is a fixed price and that error is the result of using a template, she noted that staff would fix that error.

President McGregor asked what the budgeted amount was. Ms. Qvigstad indicated there is \$30,000 in the budget. He also asked about if the property was added to the list. Ms. Qvigstad indicated it was added.

Commissioner Telford moved authorization for the Executive Director to sign Professional Services Agreement No. 2008-1052 with RE-SOLVE Appraisal, LLC for appraisal of 23 parcels located at the Port's Tumwater and Olympia properties in the amount of \$28,900.00. Commissioner Barner seconded the motion. The motion passed unanimously.

#### **Airport Water Rights Purchase and Sale Agreement**

Mr. Jeff Lincoln indicated that the Port Commissioners were briefed during the August 20, 2008 workshop on Well Development and Water Rights Alternatives in association with the Port's existing water rights.

Mr. Lincoln indicated that the Port's Runway Safety Area project acquired 3 parcels, which included the associated water rights. The Port Commission was briefed during the August 20, 2008 work session. The guidance from the Commission was to continue negotiations with Tumwater.

Mr. Lincoln outlined several alternatives, which included: 1) Developing a new irrigation well, 2) Transferring Ownership to a Willing Buyer, and 3) No-Action Alternative. He noted that with Port Commissioner's concurrence, the next step was to proceed with negotiations for the potential sale and transfer of Water Rights to the City of Tumwater, and return to the Port Commission for final concurrence of a Final Purchase/Sale Agreement in late 2008 or early 2009.

He noted that Port staff has concluded its discussions with City staff, and offer the draft Purchase and Sale Agreement for Port Commissioner's consideration. This agreement establishes a mutually agreeable price for the total water rights owned by the Port and outlines the related terms and conditions for both purchase and sale. He provided the Commission with some highlights of the Purchase and Sale Agreement:

- The City will pay a total of \$27,720 to the Port for the existing 3 Water Rights (nos. GWC2924-A, GWC2723-A and GWC480), if the full rights are transferred by Ecology.
- The actual purchase price will be dependant on the actual water rights transferred by the Washington Department of Ecology. If water rights are reduced by Ecology, the purchase price will be adjusted proportionately.
- The City of Tumwater will prepare and submit all necessary Water Rights Transfer Applications and supporting documents to Ecology within 90 days. All associated costs will be at the City's sole expense.
- Closing will occur within 60 days following the date on which the transfer is approved by Ecology, and the application(s) are no longer subject to appeal.
- Port must deliver a Statutory Warranty Deed for the Water Rights at closing, if applicable.

- If the Port elects not to sell the Water Rights after the Agreement is executed, the Port must reimburse the City for its expenses associated with preparing the applications and documents associated with transferring the water rights, including legal fees, engineering studies and application costs.

He indicated that staff recommends the Port Commission authorize the Executive Director to execute the Water Rights Purchase and Sale Agreement with the City of Tumwater for Water Right Certificates GWC2924-A, GWC2723-A and GWC480.

Commissioner Barner asked if there is an appeal process and indicated that he would not like us to sell if a person is denied water rights later. Mr. Lincoln indicated that the Port is not a water purveyor, the City of Tumwater is.

Commissioner Telford indicated that he understands at the work session, the Commission directed staff to move forward. However, we have worked very cooperatively with the City of Tumwater in the past, but the goodwill of cooperation has not been a two way street. This is like a gift to the city. He is concerned that the organic farm may need some water.

Mr. Lincoln indicated that staff did look at using this water at the golf course and the cost is \$50,000. They are hooked into the Tumwater water supply and prefer to keep that arrangement. There is uncertainty about irrigation needs. Commissioner Telford stated that he has personal experience developing wells and an irrigation well will not cost anywhere near that amount.

President McGregor asked what the timeline of the process is. Mr. Lincoln responded that it would take 90-120 days to get the transfer in alignment. If we elect not to sell later, we will have to pay the City of Tumwater the \$18,215.00. Mr. Lincoln noted that the City also has an "out" clause if they find later this is not beneficial to them. At that point, the Port would not pay anything if they opt out.

Commissioner Barner indicated that he personally thinks the water rights are worth more than they are offering.

Commissioner Telford asked staff and counsel to look into whether or not this is a surplus of property.

Commissioner Barner moved to authorize the Executive Director to execute the Water Rights Purchase and Sale Agreement with the City of Tumwater for Water Right Certificates GWC2924-A, GWC2723-A and GWC480. Commissioner Telford seconded the motion. The motion passed unanimously.

### **Marine Terminal Berths 2&3 Interim Dredging**

Mr. Jeff Lincoln indicated that staff presented an advisory on this project on September 22, 2008. This project would be conducted as an Interim Action per Department of Ecology lead under MTCA program. This Interim Action is to be defined as a pilot study by the Port and Ecology.

Mr. Lincoln reported that this Interim Action dredging project was started in 1999 when the Port and Corps tested sediments to standards set by the Dredge Material Management Office. One of the first steps in the process is to test the sediments pursuant to the Dredge Material Management Office program lead by the Corps, EPA, DNR, and Ecology. The purpose of this is to ensure that there are no unacceptable levels of contaminants transported to the open water disposal site.

He noted that the sediment was approved for open water disposal in 2000. Subsequently, the Dredge Material Management Office representatives required additional testing for dioxin in 2006. Based on the recent testing, we discovered levels of dioxin above open water disposal standards, particularly in the berth areas 2 & 3.

Mr. Lincoln indicated that the interim action dredging of approximately 11,000 cubic yards of sediment, within Berths 2 and 3 of the Port's Marine Terminal. The dredged sediments exceed the screening level guidance for dioxin/furan for disposal at the nearest Dredged Material Management Program (DMMP) unconfined open-water disposal site and, therefore, require removal, transport, and upland disposal. After dredging is completed, a nominal six-inch layer of clean sand may be required by the agencies; therefore, an additive bid item has been established to place a clean sand cover in the berth area in front of the pier to ensure that the berth area will have improved surface sediment quality.

He noted that the schedule is to complete construction by the end of the 2008-2009 construction window (approximately March 15, 2009).

Commission Authorize Call for Bids	October 27, 2008
Advertise	October 29, 2008
Open Bids	December 5, 2008
Commission Authorize Award	December 8, 2008
Notice of Award	December 9, 2008
Notice to Proceed	December 19, 2008
Construction	December 20, 2008 – March 15, 2009

Mr. Lincoln indicated that the engineer's estimate for this construction contract is \$3.8 million to \$4.4 million. The 2009 Capital Investment Plan allocates \$6,000,000 for this project, of which \$3,000,000 will be reimbursed through a Department of Ecology Grant. The total project estimate of \$6,000,000 includes construction, project management, architectural/engineering consultants, environmental planning and permitting.

Mr. Lincoln indicated that staff is recommending that the Commission authorize the staff to call for bids for Contract 2008-0011, Marine Terminal Berths 2 and 3 Interim Action Dredging, Project No. MT0601. He noted that it was mentioned earlier that the public comment time closes November 7th. This call for bids would begin October 29th and the bids would not be opened until December 5, which is well after the November 7th date.

Mr. Lincoln indicated that the dredging community does have extensive experience with dredging, but not with the materials at the Port of Olympia. There is a certain amount of risk, both the contractor and the Port takes a certain amount of risk.

Commissioner Barner thanked the Department of Ecology on the collaborative role in cleaning up Puget Sound. This is a first good step to have the state as a partner as we move forward on removing the contaminated sediments. We need to make the Marine Terminal viable again, and appreciate the involvement of the citizens and the Department of Ecology.

President McGregor agreed with Commissioner Barner's comments. He noted that the staff at Department of Ecology has been working very closely with Port staff. He indicated that he learned at the open house, that 1/3 is of the area to be dredged is already at the required depth. He asked after the public comment is closed how long will it take the Department of Ecology to advise the Port. Mr. Lincoln indicated that he estimates 2 weeks.

Commissioner Telford indicated that he does not feel comfortable with this the way it is. He could move to approve this action upon approval from the Department of Ecology. He indicated that he will support the motion, but will not support awarding the bid until we have authorization from Ecology. Mr. Lincoln assured him that would not happen.

Mr. Lincoln indicated that by delaying the advertising for bids would jeopardize the project completion before the fish window by March 15, 2009.

Commissioner Barner moved to authorize the staff to Call for Bids for Contract 2008-0011, Marine Terminal Berths 2 and 3 Interim Action Dredging, Project No. MT0601. Commissioner Telford seconded the motion. President McGregor asked staff to notify the Commission if there are any changes to the bid documents after the closing date of the public comments. The motion passed unanimously.

## **ADVISORY CALENDAR**

### **Proposed 2009 Operating Budget and Capital Investment Plan Advisory**

Mr. Ed Galligan indicated that currently the Port Finance Director position is vacant. Mr. Rudy Rudolph, the Port's Airport Director will provide the Commission with an overview of the proposed 2009 Annual Budget and Capital Investment Plan.

Mr. Rudolph reviewed the budget schedule and future Commission action for final adoption with the Commission. He also reviewed the 2009 major assumptions for each business unit.

He provided an overview of the budget summary, and sources and uses of funds ending the 2009-year with \$8,142,000 cash in the bank. Mr. Rudolph reviewed the 2009 debt service and the proposal for the property tax levy for 2009. The proposal includes 2008 and 2009 new

construction. Mr. Rudolph indicated that the previous finance director submitted inaccurate numbers for the 2008 tax levy and did not include new construction. The Commission adopted the tax levy for 2008 to include new construction.

Mr. Rudolph reviewed the 2009 budget summary for each business unit. He noted that the distribution for G & A overhead is using the Percentage Minus Pass Through approach.

He noted the legal expenses are projected to be \$337,000 for year ending 2008. We are anticipating the costs remaining the same for 2009.

Mr. Rudolph reviewed the proposed memberships in the 2009 budget. He noted that staff is proposing a \$12,600 cut to the 2009 budget.

Mr. Rudolph presented the 2009 Capital Investment Plan. He noted that the plan calls for net capital expenditures in the amount of \$18,221,000. \$10,945 will be bond reserves; the general reserves will be \$7,276 including grants. He reviewed the list of 2009 proposed new projects totaling \$882,000. Those projects include:

<b>NEW PROJECTS FOR FY 2009:</b>	<b>Project Cost</b>
Airport Crack Seal Runway 8/26	\$80,000
Airport Taxiway Intersection Repair	\$50,000
Airport Taxiway Section Repair	\$100,000
Airport Master Plan Update	\$11,000
Cascade Pole Phase 3 Cap	\$275,000
Marina Relocate Dry Storage	\$30,000
Marina Fuel Dock Study	\$50,000
Marine Terminal Warehouse Lighting	\$15,000
Marine Terminal Security Fencing	\$50,000
Properties Real Estate Transaction	\$50,000
East Bay Marketing	\$171,000
<b>Port Cost Sub-Total</b>	<b>\$882,000</b>
<b>Grants</b>	<b>\$488,000</b>
<b>Total Cost New Projects</b>	<b>\$1,370,000</b>
<b>CONTINUING PROJECTS FOR FY 2009:</b>	
Marina G-L Dock Rehabilitation	\$970,000
Marine Terminal Intermodal Rail Infrastructure	\$17,000
Marine Terminal Security Project	\$58,000
Marine Terminal Berth Dredge	\$1,500,000
Property Development East Bay	\$7,296,000
<b>Port Cost Sub-Total</b>	<b>\$9,841,000</b>
<b>Grants</b>	<b>\$4,010,000</b>
<b>Total Cost Continuing Projects</b>	<b>\$13,851,000</b>
<b>Total All Projects</b>	<b>\$15,221,000</b>

Mr. Galligan indicated that we have some expenses for advertising and promotion. These expenses include:

Advertising & Community Promotion \$22,400 expenses

- Community Advertising & Promotion
  - \$1000 - Business Showcase
  - \$5000 - VCB Advertising & Promotion/Service Contract
- Airport:
  - \$2500 - Olympic Flight Museum Air Show (in-kind support TBD)
- Marine Terminal:
  - \$8000 - Marine Terminal Tours to include Harbor Days Tours
  - \$900 - Harbor Days (est. \$2,000 in-kind support)
- Properties:
  - \$2500 - Music on the Plaza (est. \$650.00 in-kind support)
  - \$2500 - Sand in the City (est. \$10,000 in-kind support)

Outside Professional Services \$20,000

- \$20,000 – Community report

Outside Services – Communications \$10,000

- \$10,000 – TCTV Programming

Commissioner Barner asked about the Boatswap and Chowder Challenge if it was included in the budget. Mr. Galligan indicated that it was not because of logistics with the construction of East Bay and the relocation of the dry storage. Mr. Galligan indicated that this event is very staff intensive. Commissioner Barner asked if this could be left on the table for discussion to find a way to continue this event. Mr. Galligan indicated the expenses for this event are about \$19,000 although we bring in approximately \$12,000 in revenues. President McGregor asked if we could work with other groups, so it would not be so staff intensive, to put on this event in 2010.

Commissioner Telford indicated he has an issue with the cash donation to Music on the Plaza and the Sand in the City event. The Port gives \$2,500 cash to each entity in exchange for advertising and promotion. Commissioner Barner indicated he thought it is a nominal amount the for community benefit we get.

The Commission indicated they would like \$20,000 added to the budget for the Port's Advisory Committee.

### **Resolution 2008-25 – Impoundments Advisory**

Mr. Galligan indicated that this proposed change to Resolution 2008-14 is to codify the Commission direction concerning procedures related to the value of property impounded and auctioned by the Port. The change is to advertise above and beyond the requirement of the legal notice. In addition, the change to the resolution changes the threshold amount to \$5,000. Mr. Galligan indicated that Resolution will be brought forward to the Commission for approval at the November 10, 2008 Commission meeting. President McGregor pointed out an error in the draft. Mr. Galligan indicated we would correct that and bring it back to a future meeting.

### **Bonniewood Drive Relocation Advisory**

Mr. Rudy Rudolph indicated that a proposed short plat development east of Old Highway 99 across from the Olympia Airport requires drainage improvements and road relocation across Port property at the Airport. He noted that the developer has proposed to “underground” the Airport's open storm water drainage ditch that crosses two proposed short plats east of the airport. He indicated that a realignment of Bonniewood Drive east of the airport is also required as a condition of development. This would result in an accompanying right-of-way dedication to the City of Tumwater totaling 11,521 square feet or approximately .264 acres (See Attachments). The developer is proposing to make the drainage improvements at no cost to the Port. Mr. Rudolph indicated that all future maintenance and repair expenses associated with the drainage improvements would be borne by the Lot Owners Association.

He noted that benefits to the airport in completing this project are as follows:

- The Port would be relieved of the requirement for ongoing maintenance expenses to the current drainage ditch
- A new Ditch Maintenance Memorandum of Understanding with the lot owners will provide for periodic inspection and cleaning with the cost borne by the Lot Owners Association
- The Bonniewood Road realignment will increase safety and visibility through the Old Highway 99 intersection and result in easier access to Port property benefiting a current port tenant who operates 18-wheeled vehicles
- Light industrial development of the short plats will replace two residential dwellings.

Mr. Rudolph indicated that FAA concurrence on the right-of-way dedication to the City of Tumwater totaling 11,521 square feet is required and anticipated. Mr. Rudolph indicated that this would be back to the Commission for approval at a later date.

### **East Bay RFQ Announcement**

Ms. Kari Qvigstad announced that the Redevelopment of the East Bay District would transform a currently underutilized 13.3-acre property into a vibrant, pedestrian-friendly district with a dynamic mix of uses that facilitate both daytime and evening activity. The new East Bay District will serve as a gateway to the other port districts on Port Peninsula, and as an extension of downtown Olympia across State Avenue, contributing to its revitalization.

Ms. Qvigstad indicated that the purpose of the RFQ is to obtain statements of interests, qualifications, and conceptual issues from the development community and to create a shortlist of qualified developers to respond to the Request for Proposals.

She noted that the timeline is to issue the RFQ on November 14, 2008 the responses would be due on December 12, 2008. The shortlist would be notified on January 14, 2008.

Commissioner Barner indicated that the zoning includes residential. He indicated that he is not in favor of residential in this development. Commissioner Telford indicated that we should not close the door on these proposals.

#### **PUBLIC COMMENT ON ADVISORY ITEMS**

Arthur West commented on the budget and the payment to the Washington Public Ports Association. He indicated that the WPPA does not consider itself to be public. Commissioner Telford indicated that he was assured they would comply with the public records act. Mr. West commented on the East Bay development and how difficult it is to interpret the draft proposal, it is so complicated and undecipherable.

#### **ANNOUNCEMENTS**

No announcements were made.

#### **ADJOURNMENT**

President McGregor adjourned the meeting of October 27, 2008 at 8:30 p.m.

#### **PORT OF OLYMPIA COMMISSION**

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President

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Vice President

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Secretary-Treasurer