



Serving All of Thurston County

Commission Meeting

Monday, Mar. 11, 2024

5:30 PM

Percival Plaza - Olympics Room

626 Columbia Street NW

Olympia, WA 98501

The meeting agenda is available on the Port's website as of Mar. 6, 2024.

<https://www.portolympia.com/commission>

The public may join the meeting from their computer, tablet or smartphone at:

<https://us02web.zoom.us/j/82643754702>

or Telephone: 1 253 215 8782

Webinar ID: 826 4375 4702

Written public comments may be submitted to commissioncoordinator@portolympia.com by 12:00 p.m. on the date of the meeting. All written comments will be compiled and sent to the Commissioners prior to the meeting.

Verbal public comment is accepted in person at the meeting.

If you are attending the meeting via Zoom, you may raise your hand during the meeting to give public comment.

For those listening by phone, press *9 if you wish to raise your hand and provide comment.

AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Approval of Agenda
- D. Executive Director Report
- E. Public Comment

Individual public comments are limited to 3 minutes per person. Members of the public may comment on agenda items and other port business.

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2022-09 Article VI.

- Comments should be directed to Commission: Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.
- Courtesy: All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

Port of Olympia Mission

Creating economic opportunities and building community for all of Thurston County through responsible resource use.

F. Consent Calendar

1. Professional Services Agreement Award No. 2024-1005 – Skillings – Marine Drive NE: James Sommer, Capital Assets Program Manager
2. Minutes: Jan. 16, 2024; Jan. 22, 2024; and Jan. 29, 2024

G. Pending Issues or Business

1. None

H. Action Calendar

1. Small Cities Program and Resolution Update: Tad Kopf, Director of Finance

I. Action/Other Calendar

1. Rick Hughes Contract Amendment: Ben McDonald, Director of Human Resources and Administration
Public Comment on Action/Other Item

J. Advisory Calendar

1. Assignment of Lease – M&D Food LLC: Clarita Mattox, Real Estate Senior Manager
Public Comment on Advisory Item
2. Lease Amendment No. 8 – Olympia Marine Center: Clarita Mattox, Real Estate Senior Manager
Public Comment on Advisory Item
3. Surplus of Port Property/Capital Budget Amendment: Afsin Yilmaz, Marine Terminal Senior Manager
Public Comment on Advisory Item

K. Commissioner Reports/Discussion

L. Other Business

M. Meeting Announcements

N. Adjourn

COVER MEMO

Briefing Date/Time: March 11, 2024

Staff Contact/Title: James Sommer, Capital Assets Program Manager,
360.528.8005, JamesS@portolympia.com

Subject: Professional Services Agreement No. 2024-1005 Award –
Skillings – Marine Drive NE Restoration Project

Purpose: ☐ Information Only ☒ Decision Needed

Overview:

This is a Consent agenda item before the commission. Action is requested.

Approval of this Consent agenda item authorizes the Interim Executive Director to execute Professional Services Agreement No. 2024-1005 with Skillings for an amount not to exceed \$188,725.

Background:

The Marine Drive NE Restoration Project repaves the heavy haul freight route connecting the Port of Olympia's working waterfront to the I-5 corridor. Improvements are specifically targeted for the heavy haul section of the road from the intersection of Marine Drive NE and Olympia Avenue to the marine terminal main gate.

Marine Drive NE is owned and maintained by the Port of Olympia. It serves as the primary access for all trucked cargo coming into and out of the Port's marine terminal and, in part, to the Lacey Olympia Tumwater Thurston (LOTT) regional wastewater treatment facility. Additionally, it is a primary access point for travelers coming from the north and east seeking to access community assets in the area such as the Olympia Farmer's Market, the Port Plaza and Boardwalk, the Billy Frank Jr. trail, Swantown Marina and Boatworks, NorthPoint businesses, and various areas along the Port Peninsula that are used for enjoying access and scenic vistas. The project is necessary to repair the significantly compromised surface and maintain this asset for its vital intended uses, including the movement of heavy freight traffic as well as tourists and recreational visitors.

The Marine Drive Restoration project was formally added to the Thurston Regional Planning Council project list during its annual call for projects in 2022. That listing made the Port of Olympia's proposed project eligible for funding consideration by the State of Washington Freight Mobility Strategic Investment Board (FMSIB). In May of 2023, the Port of Olympia received notification that the Marine Drive NE Restoration project had been awarded FMSIB funding via the 2023-2025 State Transportation Budget. The \$1,300,000 appropriation supports the grinding and overlay of pavement between existing curbs to create a structurally-improved roadway to handle heavy freight traffic.

With funding secured for this important project and commission approval of the 2024 capital budget, the next step for the Port of Olympia was to solicit a consultant to begin the design process. On January 8th, 2024, the Port of Olympia released a request for qualifications solicitation to qualified engineering firms using Municipal Research and Services Center (MRSC) rosters. On January 26th, 2024, the Port received the lone statement of qualifications submission from Skillings. Once notified as being selected based on their qualifications, Skillings prepared a proposal based on the project and the Port's needs. On February 23rd, 2024, the Port received the proposed scope of work from Skillings for a not-to-exceed total of \$188,725.

Skillings is a highly qualified engineering firm that is intimately familiar with the Marine Drive NE project. In 2022, Skillings performed a pavement condition assessment of several Port-owned roads including Marine Drive NE. In addition to providing the Port with an assessment of Marine Drive NE, Skillings also provided a planning level estimate to support the Port's funding application with the Freight Mobility Strategic Investment Board (FMSIB). With the support of Skillings, the Port is scheduled to complete this project in 2024.

Documents Attached:

- Skillings Statement of Qualifications
- Skillings Scope of Work Proposal

Summary & Financial Impact:

The 2024 capital budget for this project is \$1,500,000. This professional services agreement will be subtracted from the total budget leaving \$1,311,275 for the construction phase. It is anticipated that the remaining budget will be sufficient to support the completion of the project.

Affected Parties:

- Swantown Marina & Boatworks
- Marine Terminal
- Port Peninsula Businesses
- General Public

Staff Recommendation:

Port staff recommends that the Port of Olympia Commission:

- Authorize the Interim Executive Director to execute the consultant agreement with Skillings for an amount not to exceed \$188,725.

Next Steps/Timeframe:

If approved by the commission the next steps for the project would be as follows:

- Execute consultant agreement with Skillings
- Complete design of Marine Drive NE with Skillings
- Competitively bid the public works restoration of Marine Drive NE and present to the Commission for authorization to award bid to the lowest, responsible, responsive bidder
- Project construction
- Presentation to the Commission for the final acceptance of the project

EXHIBIT A SCOPE OF WORK

Prepared for:

PORT OF OLYMPIA MARINE DRIVE HEAVY PAVEMENT RESTORATION

February 23, 2024

Introduction:

Skillings, Inc. (Skillings) will complete design for repaving Marine Drive in Olympia, Washington for the Port of Olympia (Client). Repaving design will be limited to the portion of Marine Drive from Olympia Avenue to the entrance to the Port's Marine Terminal. Skillings will prepare 100% plans, specifications, and engineers' estimate of probable cost to construct (PS&E) to repave the subject portion of Marine Drive.

The overall scope of services will include completion of topographic survey, field identification of targeted locations for full-depth restoration (dig-outs), pavement grind and inlay, erosion control, striping plan, and ADA curb ramp design.

Project Assumptions:

- The City of Olympia will require a Site Work Permit and not require review under City land use planning requirements.
- Marine Drive is owned by the Port of Olympia, except for the intersection at Market St and Franklin Street.
- ADA curb ramps that do not meet current ADA standards will be upgraded, as identified below.
- Per the City of Olympia's 2022 Drainage Design and Erosion Control Manual (2022 DDECM), pavement grind and inlay are exempt from the Core Requirements.
- Full depth restoration and ADA curb ramp work is not exempt and considered replaced hard surface. This work is anticipated to consist of less than 2,000 square feet of new or replaced hard surface and will only require consideration of Core Requirements 1 – 5 and preparation of an Abbreviated Stormwater Site Plan and Construction Stormwater Pollution Prevention Plan (CSWPPP).
- This project does not include the use of federal funds.
- This project does not include Right-of-Way acquisition.
- Utility locates will be provided by Washington Utility Notification Center.
- Department of Natural Resource monument removal permits are not included in this scope of work.
- Survey work will not require permits.
- No lane closures for traffic control are deemed necessary to complete the survey work.
- A Record of Survey is not required.
- Skillings personnel will not access any area deemed unsafe for any reason.
- Utility Pothole location is not part of this project.
- Project Limits (Based off existing road alignments)
 - Face of curb to face of curb from the Intersection of Olympia Avenue and Marine Drive NE north to Market Street, west on Market Street to its intersection with Franklin St NE and then along Franklin Street NE to the Port's Marine Terminal gate. Curb returns along alignment will be included in the project limits.

Task 100	Project Management
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This task includes Skillings management of staff, invoice and progress reporting, peer review/QA/QC, internal staff team progress meetings.

Assumptions:

- Meetings with Client will be by phone/ or virtual meeting unless otherwise stated.
- There will be eight (8) coordination meetings with Client.

Task Description:

1. Initiate the project (i.e., project set-up filing and accounting systems).
2. Schedule and attend in-house staff coordination meetings.
3. Provide QA/QC of deliverables for project.
4. Communicate project status and updates with Client.
5. Skillings will prepare monthly billings with progress reports.

Deliverables:

1. Monthly invoice(s), with status reports and earned value reports as requested.
2. Project status meeting via phone/email.

Task 200	Topographic Survey
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The establishment of new survey control, or the recovery of existing survey control and monuments will provide the foundation for the development of the existing right-of-way alignments, topographic survey mapping, and right-of-way plans. Survey methods will be based on a combination of Static GPS, Real Time Kinematic (RTK) and conventional survey methods in accordance with industry standards. A topographic survey of the survey limits will show the relationship of existing features within the project limits. The survey control established will be used to determine the horizontal and vertical elements of the existing features being mapped. A topographic survey will be necessary to move the project forward into the engineering design phase of the roadway reconstruction improvements.

Assumptions:

- Horizontal – Survey work to be established on Washington State Coordinate System 1983/91.
- Vertical – The Vertical Datum for the survey work will reference National Geodetic Vertical Datum 1929 (NGVD 29).
- Units will be US Survey Feet.
- Distances will be ground distances.
- Right of way will be developed in the project limits and parcel lines will be developed from existing deed information and assessor parcels lines.
- A topographic survey will be included in the survey limits stated in the project limits above.
- The client will provide information regarding the location of underground utility lines.
- Only surface utilities will be mapped.
- Underground lines will be based on painted locate marks.
- Skillings survey standards and field coding will be used.

Task Description:

1. Perform a field survey to establish new horizontal from existing control and vertical survey control.
2. Evaluate survey control and adjust in the office accordingly.
3. Conduct Designer site visit to identify “dig-out” locations.

3. Recover existing survey control relevant to the re-establishment of existing right of way lines and parcel lines.
4. Calculate existing right of way lines and parcel lines in AutoCAD digital survey control map.
5. Field Topographic Survey depicting the following:
 - Existing road centerlines.
 - Location and size of driveway cuts and curb returns
 - Face of curb or Edge of pavement and edge of gravel
 - Telecommunication, Storm, Sewer, and Water utilities that may be within the above limits
 - Above ground power structures within the roadway prism.
 - Utility locates painted on the ground.
6. Download and backup survey data daily.
7. Compile survey data into digital AutoCAD base map.
8. Draft topographic survey map at 1" = 20' scale.
9. Field check topographic survey map.
10. Update topographic survey map based on field edits.

Deliverables:

- Survey control data (Internal)
- Survey control maps (Internal)
- Topographic survey map signed by PLS.
- AutoCAD file of topographic survey with existing right of way and parcels.
- Topographic survey map signed by PLS.
- AutoCAD file of topographic survey with existing right of way and parcels.

Task 300	60% Design
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This task consists of developing the overall layout to a 60% level of design for the overlay to Marine Drive, including full-depth restoration areas and the eleven ADA ramps.

Assumptions:

- Design will not include the use of "crack and seat" as a surface treatment.
- Design of new ADA ramps are anticipated at three intersections, including Marine Dr. and the entrance to Boatworks dry-storage yard, Marine Dr and Market St, and Market St and Franklin St (3 corners only).
- Design of curb access ramps to make all intersection corners within the project ADA/PROWAG compliant, as described above.
- Maximum Extent Feasible (MEF) document will not be needed, curb ramps can be redesigned to meet ADA/PROWAG standards.
- It is assumed that the design will not require new luminaires and that associated junction boxes will not require relocation, only adjustment to final grade.
- It is assumed that no utility relocation, other than adjusting lids to final grade, will be required.
- Skillings will use the City of Olympia 2022 Engineering Design and Development Standards (EDDS).
- Cost estimate shall utilize the WSDOT Unit Bid format, special provisions shall utilize the WSDOT Standard Specifications format.

Task Description:

1. Conduct site visit kick-off meeting with Client.
2. Prepare Draft Abbreviated Stormwater Site Plan.
3. Prepare Draft CSWPPP.
4. Prepare 60% design plan sheets, to consist of:
 - Cover Sheet with Vicinity Map.
 - General Notes & Legend.
 - Demolition & Erosion Control Plan with Details.
 - Paving and Pavement Marking Plans.
 - ADA Ramp Plans.
 - Traffic Control Plan.
5. Prepare 60% Special Provisions.
6. Prepare 60% Engineer's Estimate of Probable Costs to Construct.
7. Prepare Design Documentation Notebook.
8. Submit to Client for review.

Deliverables

- Draft Abbreviated Stormwater Site Plan for Client review.
- Draft CSWPPP for Client review.
- 60% PS&E for Client review.

Task 400	90% Design / 100% Design City of Olympia Permit Submittal
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This task consists of addressing the Client's 60% comments and advancing PS&E to a 90% level of design. After Client review of the 90% PS&E, a 100% PS&E package will be prepared for submittal to the City of Olympia.

Assumptions:

- Client has reviewed the 60% deliverables and have provided comments to Skillings.
- Bid Documents will be prepared using the Port's Shell and Standards, including Cover Page, Notice to Bidders, Appendices, Supplemental Criteria, Bond and Contract Examples, and Proposal.

Task Assignment:

1. Incorporate Client comments, prepare comment response matrix.
2. Prepare Final Abbreviated Drainage Plan.
3. Prepare Final CSWPPP.
4. Prepare 90% design plan sheets.
5. Prepare 90% Bid Documents including Special Provisions.
6. Prepare 90% Engineer's Estimate of Probable Costs to Construct.
7. Update Design Documentation Notebook.
8. Submit 90% PS&E package to Client for review.
9. Incorporate Client comments and prepare 100% PS&E package, prepare comment response matrix.
10. Prepare City of Olympia Permit Submittal form and checklist.
11. Submit 100% PS&E package to City of Olympia.

Deliverables:

- Final Abbreviated Stormwater Site Plan.
- Final CSWPPP.

- 90% PS&E.
- 100% PS&E.
- City of Olympia Permit Submittal Form and Checklist.
- 60% Comment Response Matrix.
- 90% Comment Response Matrix.

Task 500	Ad-Ready PS&E
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This task consists of addressing the City of Olympia's permit review comments and resubmitting for approval. Upon City approval, Skillings will provide the Client with the approved ad-ready PS&E.

Assumptions:

- City of Olympia permit application will consist of one submittal/review cycle.

Task Assignment:

Address City of Olympia permit review comments, prepare comment response letter, and re-submit for Construction Approval.

Prepare Ad-Ready PS&E package, provide to Client for advertising.

Deliverables:

- City of Olympia comment response letter.
- City of Olympia permit package resubmittal.
- Ad-Ready PS&E package.

Task 600	Bid Advertisement Support
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Client will host public advertisement for bids. Skillings will provide support during Bid Advertisement.

Assumptions:

- The budget associated with construction contract support is estimated. Skillings will provide construction contract support up to the estimated budget. In the event that this task requires effort beyond the estimated budget, additional work can be completed under a supplement to this scope of work.
- Skillings will provide written responses for Requests for Information during Bid Advertisement. (estimated level of effort to not exceed 8 hours).
- Skillings will prepare up to two (2) Addendums to provide clarification during Bid Advertisement.

Task Description:

1. Attend Pre-construction meeting.
2. Provide written responses to Client for Contractor Requests for Information (RFI).
3. Prepare Addendums for Client for clarification or corrections on design and specifications.
4. Attend Bid Opening – Review Apparent Low Bid for contract compliance.

Deliverables:

- RFI Responses
- Addendums

END SCOPE OF WORK

Prepared by: Patrick E. Skillings, PMP February 23, 2024
 Reviewed by: Ian Y. Lee, PE February 23, 2024

EXHIBIT B-1
CONSULTANT COST COMPUTATION – MAN-HOURS

PROJECT NO: 24012 PORT OF OLYMPIA MARINE DRIVE HEAVY PAVEMENT RESTORATION		PRINCIPAL-IN-CHARGE	PROJECT MANAGER	PROJECT ENGINEER	ENGINEER	TECHNICIAN	SURVEY MANAGER	SURVEY PARTY CHIEF	PROJECT SURVEYOR	PROJECT ADMINISTRATOR
TASK #	TASK DESCRIPTION									
100	PROJECT MANAGEMENT+									
1	Initiate the project (i.e., project set-up filing, and accounting systems).		1							2
2	Schedule and attend in-house staff coordination meetings.		8	8	8					
3	Provide QA/QC of project deliverables	8	8	24						
4	Communicate status with Client.		8							
5	Prepare monthly billings with progress reports.		4				1			6
200	TOPOGRAPHIC SURVEY									
1	Perform a field survey to establish new horizontal from existing control and vertical survey control.							10		
2	Evaluate survey control and adjust in the office accordingly.								4	
3	Conduct designer site visit to identify "Dig-out" locations.		4		4					
4	Calculate existing survey control relevant to the re-establishment of existing right of way lines and parcel lines.						9		27	
5	Field Topographic Survey depicting the following:							50	2	
a	Existing road centerlines.									
b	Location and size of driveway cuts and curb returns.									
c	Face of curb or edge of pavement and edge of gravel.									
d	Telecommunication, Storm. Sewer, and Water utilities that may be within the above limits.									
e	Above ground power structures within the roadway prism.									
g	Utility locates painted on the ground.									
6	Download and backup survey data daily.							5		
7	Compile survey data into digital AutoCAD base map.						2		15	
8	Draft topographic survey map at 1"=20' scale.						1	10	10	
9	Field check topographic map signed by PLS.						1		3	
10	Update topographic survey map based on field edits.						1		2	

PROJECT NO: 24012 PORT OF OLYMPIA MARINE DRIVE HEAVY PAVEMENT RESTORATION		PRINCIPAL-IN-CHARGE	PROJECT MANAGER	PROJECT ENGINEER	ENGINEER	TECHNICIAN	SURVEY MANAGER	SURVEY PARTY CHIEF	PROJECT SURVEYOR	PROJECT ADMINISTRATOR
TASK #	TASK DESCRIPTION									
300	60% LEVEL OF DESIGN COMPLETENESS									
1	Conduct Site visit kick off with Client		2	2	2					
2	Prepare Draft Abbreviated Stormwater Site Plan			4	20	8				
3	Prepare Draft CSWPPP			2	8					
4	Prepare 60% Design plan sheets			20	140	120				
5	Prepare 60% Special Provisions			8	24					
6	Prepare 60% Engineer's Estimate of Probable Cost to Construct.			4	16					
7	Prepare Design Documentation Notebook			2	8					
8	Submit to Client for review		1		2					
400	90% Design / 100% City of Olympia Set									
1	Incorporate Client comments, prepare comment response matrix.		2	8	16	16				
2	Prepare Final Abbreviated Drainage Plan.			2	8					
3	Prepare Final CSWPPP.				4					
4	Prepare 90% design plan sheets.			20	80	80				
5	Prepare 90% Bid Documents including Special Provisions.			8	20					
6	Prepare 90% Engineer's Estimate of Probable Costs to Construct.			2	8					
7	Update Design Documentation Notebook.				4					
8	Submit 90% PS&E package to Client for review.				2					
9	Incorporate Client comments and prepare 100% PS&E package, prepare comment response matrix.		2	2	8	8				
10	Prepare City of Olympia Permit Submittal form and checklist.			2	8	8				
11	Submit 100% PS&E package to City of Olympia.		1		2					
500	Ad Ready PS&E									
1	Address City of Olympia permit review comments, prepare comment response letter, and re-submit for Construction Approval.		2	8	16	16				
2	Prepare Ad-Ready PS&E package, provide to Client for advertising		1		2					
600	BID ADVERTISEMENT SUPPORT									
1	Attend Pre-construction meeting.		1	1						
2	Respond to Requests for Information (RFI).		1	4	16					

PROJECT NO: 24012 PORT OF OLYMPIA MARINE DRIVE HEAVY PAVEMENT RESTORATION		PROJECT ADMINISTRATOR								
		PROJECT SURVEYOR								
		SURVEY PARTY CHIEF								
		SURVEY MANAGER								
		TECHNICIAN								
		ENGINEER								
		PROJECT ENGINEER								
		PROJECT MANAGER								
		PRINCIPAL-IN-CHARGE								
TASK #	TASK DESCRIPTION									
4	Prepare Addendums for Client for clarification		1	4	16					
5	Attend Bid-opening		1	2						
	HOURS PER DISCIPLINE	8	48	137	442	256	15	75	63	8

EXHIBIT B-2
CONSULTANT COST COMPUTATION – SUMMARY

NEGOTIATED HOURLY RATE (NHR):					
Classification	Man Hours	X	Rate	=	Cost
PRINCIPAL-IN-CHARGE	8	x	\$301.00	=	\$2,408.00
PROJECT MANAGER	48	x	\$277.00	=	\$13,296.00
PROJECT ENGINEER	137	x	\$249.00	=	\$34,113.00
ENGINEER	442	x	\$168.00	=	\$74,256.00
TECHNICIAN	256	x	\$139.00	=	\$35,584.00
SURVEY MANAGER	15	x	\$220.00	=	\$3,300.00
SURVEY PARTY CHIEF	75	x	\$175.00	=	\$13,125.00
PROJECT SURVEYOR	63	x	\$175.00	=	\$11,025.00
PROJECT ADMINISTRATOR	8	x	\$168.00	=	\$1,344.00
Total Hours =	1052				Total NHR = \$188,451.00
REIMBURSABLES:					
Mileage	80	x	\$0.670	=	\$53.60
Miscellaneous Expenses	\$200.00	x	10%	=	\$220.00
				Total Expenses=	\$273.60
SUBCONSULTANT COST (See Exhibit E):					
				Total Subconsultants =	\$0.00
SUB-TOTAL (NHR + REIMBURSABLES + SUBCONSULTANTS):					
				Sub Total =	\$188,724.60
MANAGEMENT RESERVE FUND:					
SUB TOTAL =	\$188,724.60	x		=	MRF = \$0.00
GRAND TOTAL					
				GRAND TOTAL =	\$188,725
<div> <div> PREPARED BY: <u>Patrick E. Skillings, PMP</u> </div> <div> DATE: <u>02/23/2024</u> </div> </div> <div> <div> REVIEWED BY: _____ </div> <div> DATE: <u>02/23/2024</u> </div> </div>					

EXHIBIT B-3
CONSULTANT COST COMPUTATION – EXPENSES

Item	Description	Basis	Quantity	Rate	Total
1	Telephone	Month			\$0.00
2	Auto Rental	Each			\$0.00
3	Lodging	Day			\$0.00
4	Per Diem-Meal	Day			\$0.00
5	Photocopies - Blk & White	Each		\$0.10	\$0.00
6	Photocopies - Color	Each		\$0.35	\$0.00
7	Half Sized Prints	Each		\$0.50	\$0.00
8	Full Sized Prints	Each		\$6.00	\$0.00
9	Postage	Month			\$0.00
10	Shipping	Month			\$0.00
11	FAXs	Each			\$0.00
12	Miscellaneous Project Costs	Month	1	\$100.00	\$100.00
13	Miscellaneous Survey Costs	Estimated	1	\$100.00	\$100.00
14	InRoads Software	Month-No of years		\$950.00	\$0.00
15	Traffic Control	Estimated			\$0.00
	Total Miscellaneous Expenses				\$200.00
	Mileage	Per Mile	80	0.670	\$53.60
	Total Expenses				\$253.60
Assumptions					
1	Telephone	Estimated			
2	Auto Rental	Estimated trips			
3	Mileage	Estimated miles			
4	Lodging				
5	Per Diem-Meal				
6	Photocopies - Blk & White	Estimated			
7	Photocopies - Colored	Estimated			
8	Half Sized Prints				
9	Full Sized Prints				
10	Postage	Estimated			
11	Shipping	Estimated			
12	FAXs	Estimated			
13	Miscellaneous Project Costs	Estimated			
14	Miscellaneous Survey Costs	Estimated			
15	Purchase Order	Estimated			
Prepared by: Patrick E. Skillings, PMP		02/23/2024			

Port of Olympia

Professional Services - FMSIB -Engineering
and Construction Management
2024-1005



Patrick Skillings, PMP
Project Manager
pskillings@skillings.com
(360) 491-3399

www.skillings.com
5016 Lacey Blvd. SE
Lacey, WA 98503



B o l d | C r e a t i v e | R e s p o n s i v e

Jan 26, 2024

James Sommer

Contract and
Grant Administrator
Port of Olympia
JamesS@PortOlympia.com
(360) 528-8005

RE: Marine Drive Heavy Haul Freight Corridor Restoration

Dear James,

The Skillings team is excited about this opportunity and is committed to providing the exceptional services the Port of Olympia desires. Skillings has provided consulting engineering services for capital improvement projects that encompass our experience in site development, transportation, stormwater, environmental, water, wastewater, and surveying since 1983.

Skillings' size and centralized office location allows us to be agile and highly responsive to our clients. With over 40 years of experience, we are confident our team will deliver efficient, cost-effective services for your projects. Apart from myself, our proposed team consists of:

Ian Lee, PE—Our Project Engineer with over 16 years of experience. Ian has successfully designed and permitted multiple similar projects through the City of Olympia and is familiar with the City's processes and requirements.

Rynea Edwards, PLS, CFedS—Our Survey Manager with over 28 years of experience. Rynea will lead the preparation of the survey base map for use in design preparation. Her experience working in-house with our design team will benefit the Port as design will mesh in seamlessly with the survey base map.

Beryl Baon, Designer – Beryl's previous experience working with the Port of Olympia makes her an asset to the team, having completed pavement assessments and field investigations for similar projects.

As Project Manager, I bring my direct relevant experience in managing the pavement assessment of Marine Drive and completing the funding estimate in support of the Grant application.

Skillings is committed to comply with the sample Consultant Services Agreement shown in the RFQ.

Skillings has the interest, talent, and capacity to complete this project and looks forward to the opportunity to serve the Port of Olympia.

Sincerely,



Patrick Skillings, PMP
Project Manager
pskillings@skillings.com

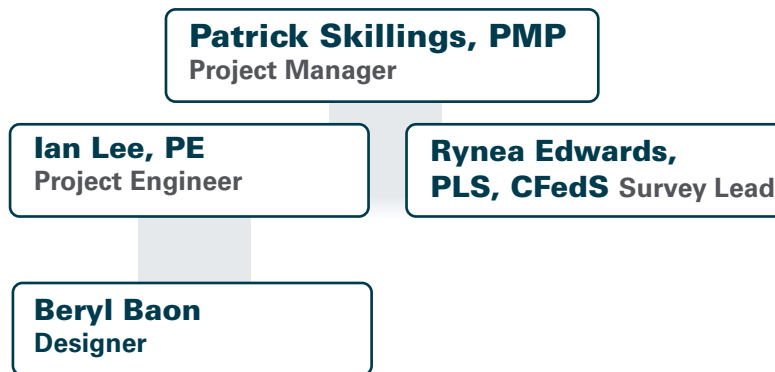
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(360) 491-3399



Key Personnel and Experience

Skillings is a group of over 40 professionals including engineers, environmental scientists, surveyors, and support personnel, headquartered in Lacey. Our mantra of Bold, Creative, Responsive translates to innovative yet practical solutions and excellent customer service for our clients. Skillings has provided engineering services to numerous local agencies for over 40 years and are accustomed to preparing engineering plans consistent with relevant codes and standards. Our team is familiar with the Port of Olympia, county, state and federal codes, and standards relevant to your project, AASHTO design guidelines, and WSDOT's LAG Manual and Standard Specifications for Road, Bridge, and Municipal Construction. We have accumulated a long list of public works transportation improvement projects, which includes over 2500 individual projects completed throughout Western Washington.

Port of Olympia



Project Manager | Patrick Skillings, PMP

Patrick is Skillings' Vice President and an experienced project manager. He has a diverse background with both engineering and environmental projects enabling him to balance the natural environment with design standards and constructibility requirements. He has provided management for infrastructure projects throughout western Washington. His experience is founded in solid project management principles combined with a thorough understanding of agency requirements, standards, and procedures. Patrick's ability to facilitate meaningful discussions with project teams and stakeholders will benefit your project by bringing all the appropriate voices into the conversation. His training as a Project Management Professional allows him to efficiently deliver projects on time and within budget.



Years of Experience: 23

Licenses & Certs:
Project Management
Professional

Education: BS, Environmental
Science, Oregon State University

Key Personnel and Experience

Project Engineer | Ian Lee, PE

Ian has 16 years of site development, transportation, and stormwater design experience. He has successfully delivered PS&E packages for projects that involve elements such as site development permitting and design, roadway geometrics design, roadside design, and design of bicycle and ADA accessible pedestrian facilities. Ian routinely designs to AASHTO, PROWAG and WSDOT standards, and has prepared specifications in both CSI and WSDOT formats. In addition to roadway design, Ian is also experienced in hydraulic modeling, and stormwater drainage design. Ian takes a pragmatic approach to developing plans that focus on constructability, cost savings, and future maintenance needs.



Years of Experience: 16

Licenses & Certs:

Professional Engineer, WA

Education: BS, Civil Engineering,
Iowa State University

Survey Lead | Rynea Edwards, PLS, CFedS

Rynea has over 28 years of experience which includes working with boundary surveys, topographic surveys, right of way plans, Aquatic Surveys, Cadastral Survey, GPS surveys, construction staking and writing legal descriptions. She has worked in all types of conditions, from urban corridors to forest land to aquatic environments.

Rynea worked for several years with the Washington Department of Natural Resources as the Land Description & ROW Specialist and Aquatic Land Surveyor. As Skillings' Survey Manager, Rynea schedules daily operations of the field crews, prepares topographic maps, analyzes vertical and horizontal control networks produced from GPS and conventional survey methods, prepares and reviews legal descriptions for easements and right of way acquisition, researches and compiles survey documents and evidence for boundary determination, analyzes complex construction plans, and operates the GIS database for control networks.



Years of Experience: 28

Licenses & Certs: Licensed

Professional Land Surveyor, WA

Certified Federal Surveyor

Education: AA, Technical Arts,
Centralia College

Designer | Beryl Baon

Beryl has nearly three of experience as a design engineer working with AutoCAD and Civil3D. She has been involved in pavement assessment, transportation, and water line design projects. She has conducted field investigations to assess pavement using the WSDOT Streetwise Pavement Condition Rating (PCR) Form and has knowledge of the extent of various pavement conditions such as alligatoring, raveling, and others. With the use of the PCR Form, she is able to calculate the estimated life remaining and recommended future treatment and rehabilitation of the pavement.



Years of Experience: 3

Licenses & Certs:

Design Engineer, WA

Education: BS, Civil Engineering,
Saint Martin's University

Project Approach

Skillings is intimately familiar with Marine Drive NE, between Olympia Avenue NE and the entrance to the Port's Marine Terminal. Skillings completed the pavement assessment of this segment of Marine Drive NE, referred to as Marine Drive Heavy, in 2022. Skillings prepared the Pavement Condition Assessment to determine the existing pavement condition and identified locations of sub-base failure that would require "dig-outs" to fix prior to repaving.

Skillings also prepared a planning level estimate in support of the funding application with the Freight Mobility Strategic Investment Board (FMSIB). This advanced work means that Skillings has an in-depth understanding of the project constraints, both from a pavement restoration perspective and a traffic maintenance perspective. We understand that the Marine Terminal is extremely active, and that Marine Drive Heavy is the main access point between the terminal and Plum Street (East Bay Drive), which is the main access to I-5.

Skillings is experienced with road maintenance and pavement restoration. To develop the planning level estimate, we identified dig-out locations, catch basins and utility lids that would require accommodation during restoration. This segment of Marine Drive conveys freight that requires a significant pavement section to accommodate the weight of large trucks and associated delivery loads coming into and out of the Marine Terminal.

Approach

Skillings will start with a limited topographical survey of the project corridor to identify the existing cross-slope of Marine Drive, utility and stormwater structures, and areas for full-depth restoration (i.e. dig-outs). The completed topographic survey will serve as the design basemap for proposed pavement restoration. Completion of an accurate basemap will provide additional benefits to the Port. It will allow us higher accuracy in calculating material quantities and will provide the bidding contractors with more certainty on project constraints. We have completed a significant number of surveys for the Port and have enough survey

control in the project area to start field work immediately. By utilizing existing control, we will reduce the overall budget. Survey will also allow Skillings to develop a more precise Engineers Estimate, which will help ensure that available funding is sufficient for the project. By giving the contractors more certainty in the proposed design, we expect a better bid response (lower bids) as they will know exactly what they are building.

Once the basemap is completed, we will prepare a preliminary design to grind and pave Marine Drive. Due to the heavy freight use of Marine Drive Heavy, our design will include grinding and replacement of the upper 4 inches of Hot Mix Asphalt (HMA) from gutter to gutter. Our design team will have marked out the locations for full-replacement (dig-outs) prior to survey so they are incorporated into the preliminary design. By utilizing Civil 3D as our design software, we will be able to calculate quantities for both grinding and repaving to an accurate level. We then use the WSDOT Unit Bid Analysis tool to get the most current bids recorded by WSDOT for public infrastructure projects. Skillings will also work with local asphalt suppliers (e.g. Lakeside Industries) to get up-to-date costs for local HMA delivery. We also will complete a preliminary Engineers Estimate of Cost to Construct during preliminary design so that the Engineering Estimate can be used as part of the design decision process. This way any potential design items that escalate the budget can be addressed early in design so that the proposed project fits within the available funding.

Project Approach

ADA Ramps

Pavement restoration on Marine Drive Heavy includes multiple ADA sidewalk ramps. We have completed a preliminary review of the existing ADA ramps and identified multiple locations where ADA upgrades will likely be required. The existing ramps at Olympia Ave and Marine Drive and Jefferson St. appear to be compliant and will not need to be replaced. The existing ADA ramps in front of Boatworks and where Marine Drive “light” goes north, as well as the entrance to the Marine Terminal, appear to be sub-standard and will likely require replacement. Our experience with the Public Right-of-Way Accessibility Guidelines (PROWAG) means we know the ADA tolerances. Our design approach is to design all ramps to slopes slightly under the PROWAG requirements, allowing the contractor slight construction tolerances while still meeting ADA requirements.

Project success relies on good communication, both amongst the project team and with the Port of Olympia. Our Project Manager, Patrick Skillings, will establish regular status meetings with James Sommer to review project challenges and communicate status. Patrick has demonstrated his communication skills with the Port as he works with James Sommer, TJ Quandt, and Shawn Gilbertson on the Port’s Engineering On-call and Boatworks Stormwater Retrofit project.

To track progress, Patrick starts with a detailed schedule that includes deliverable milestones. Patrick also tracks project status using Earned Value Reporting that evaluates the percent complete of each task and compares it to actual budget spent. These metrics can help forecast if the project schedule will be maintained as well as project budget.

Cost Control Measures

There are a number of cost control measures that can be utilized during both design and construction. We propose completing design without the use of additional geotechnical support. Completion of pavement borings and falling weight deflectometer tests can add significant cost to project design.

Another cost control measure is the use of commercial HMA and commercial concrete which will limit the material testing required during construction. This also eliminates the need to have geotechnical input on paving design and asphalt mix design. Lastly, specifying lump sum payment for demolition of existing ramps means the Port only pays the contractor a specified amount for demolition, not on square footage. In addition, the construction inspector doesn’t need to measure every foot of demolition. Lump sum payment may be specified for other items as well to limit the amount of time an inspector must spend measuring items of work.

QA/QC

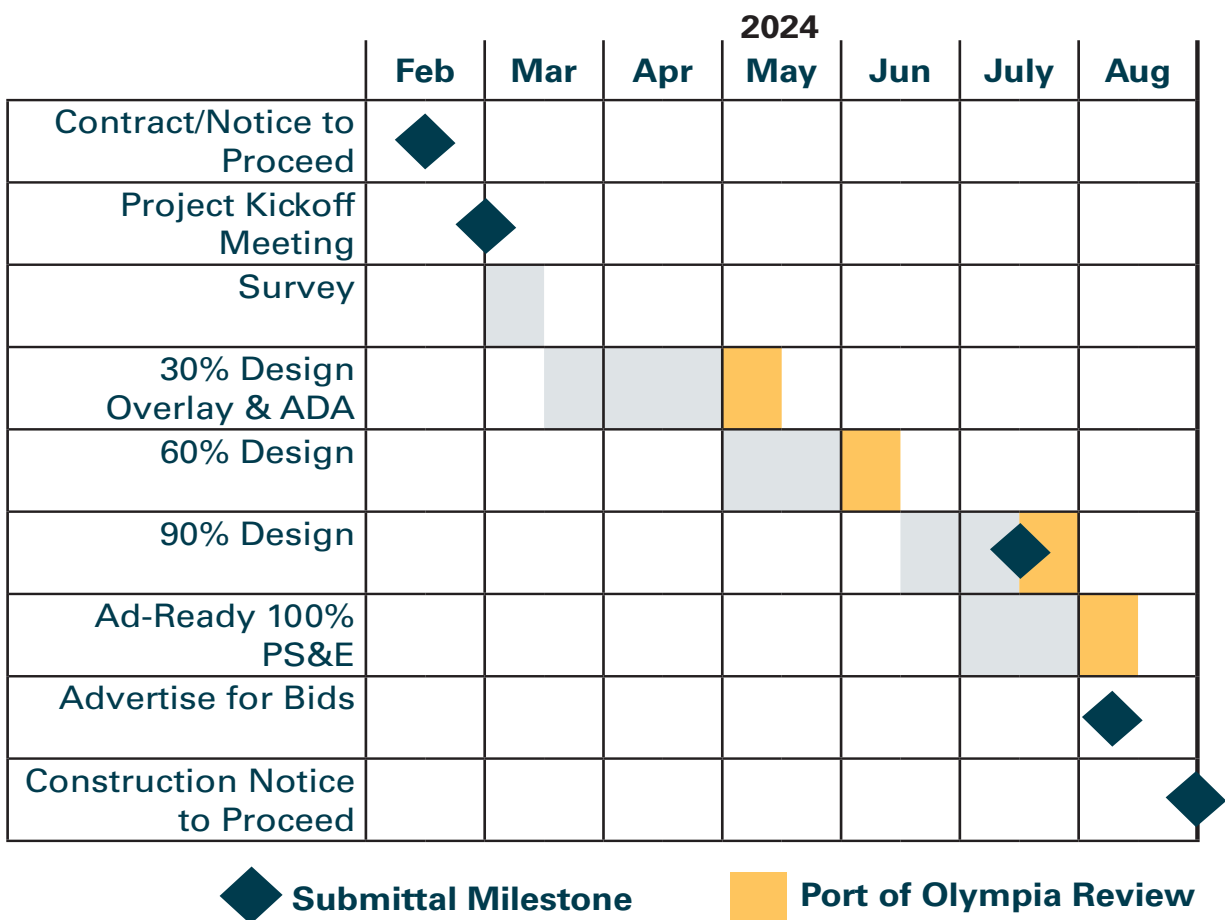
Skillings follows a rigorous internal QA/QC program. This starts with a clear scope of work and defined tasks. Skillings has developed internal Quality Controls in the form of model templates, internal standards, and set processes that ensure that quality is a priority at every stage of design. We complete internal Quality Assurance reviews at every stage of design, before it goes to the Port. This includes review and redlines, redline response, and verification review to ensure that comments are addressed correctly. Our Quality Assurance also includes internal construc-

Project Approach

tability review by senior staff that understand construction tolerances. Following our Quality Control program, we ensure that we provide quality construction plans and a quality product to the Port. Patrick, as PM, will conduct Quality Audits to verify that QA/QC is being followed and documented throughout the life of the project.

Schedule

Skillings understands that the Port would like to complete construction this year (2024). We have prepared a design schedule that demonstrates our proposed completion of the project design to allow Bid Advertisement in late summer (end of July) and the start of construction in August. We believe that this should provide an adequate number of working days for the contractor to complete the repaving prior to shut down for the winter season.



Successful Completion of Past Projects

City of Bremerton

Washington and 11th Street Improvement

The City of Bremerton selected Skillings to provide design engineering, environmental, and right-of-way acquisition services for the reconstruction of Washington/11th Street from the Manette Bridge to Pacific Avenue. Skillings prepared full plans, specifications, and engineers estimate for rehabilitation of the existing roadway. The stretch of road contained safety, mobility, and service issues for which a goal was set to increase the efficiency of multi-modal traffic through the corridor. Skillings designed full width roadway reconstruction with sidewalks, bike lanes, and storm drainage improvements. Street lighting and utilities were also relocated/upgraded. After the City's review, Skillings finalized the design, specifications and estimate and prepared a construction contract for Bid Advertisement and Award.

Project Attributes

Topographic Survey and Mapping
Geotechnical Investigation
Project Management
Geometric Roadway Design
Permitting Support
Construction Management Services

Key Personnel

Patrick Skillings, Ian Lee

City of Yelm

Water Reclamation Facility Access Road

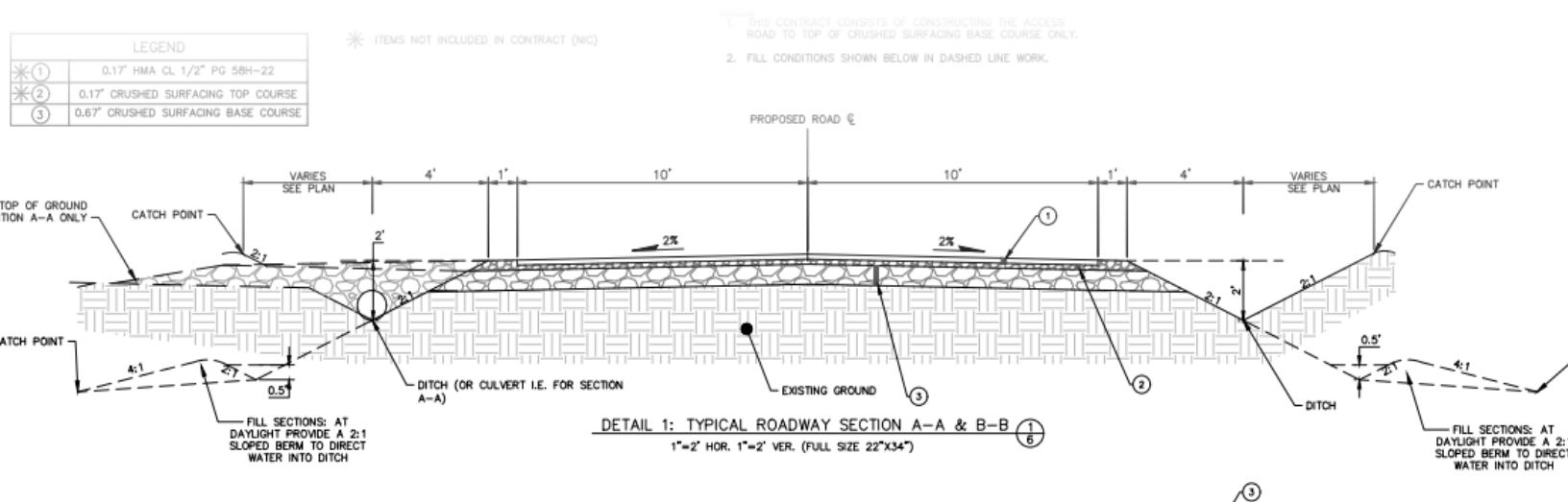
Skillings provided PS&E services to the city for the access road from Rhoton Road SE to an existing water reclamation facility. The project included design of future amenities including stormwater treatment, prefabricated restroom and shelters with drinking water and sewer connections, landscaping, security fencing and environmental review. The road also provides construction access for future upgrades to water reclamation facility.

Project Attributes

Topographic Survey
Environmental Review
Stormwater Drainage Design
Site Design
Road Reconstruction Methodology
Construction Management Services

Key Personnel

Tom Skillings, Patrick Skillings, Rynea Edwards



Successful Completion of Past Projects

City of Chehalis

Kresky Avenue Overlay

Skillings completed overlay design for Kresky Avenue for the City of Chehalis. Due to limited funds, we developed an innovative approach to complete the design in a short time-frame by utilizing existing lidar and aerial photography to develop a basemap for design. While this approach saved time and design budget, it made it difficult to identify all impacted utility lids and stormwater facility components. This project was federally funded and required completion of a NEPA Categorical Exclusion (CE) Document for approval by WSDOT Local Programs. We prepared preliminary and final plans for review by the City and developed project specifications that gave directions to the Contractor on how to deal with unknown field conditions. Construction mobilization occurred just four months after the start of design and the project was successfully constructed.

Project Attributes

Roadway Design
Design and Environmental Support
Bids, Ad and Award Support
Construction Contract Administration

Key Personnel

Tom Skillings, Patrick Skillings, Ian Lee,
Gerry Smith

City of Puyallup

Puyallup 10th Street

The City of Puyallup is completing a full pavement restoration on 10th Street from E Main to the south. Skillings completed pavement restoration design to repair this freight corridor, which has experienced significant pavement failure due to heavy truck traffic. Skillings also provided design for replacement of approximately 250 feet of sewer main, 450 feet of water and stormwater main in addition to repaving the roadway. Skillings' survey team conducted a topographic survey of the project area and created base maps to establish the foundation for design and right-of-way coordination. We designed a new full-width road and sidewalk on the east side of 10th St SE to meet ADA requirements and maximize available ROW for pedestrians, vehicles, and business patrons. Skillings also designed water, sanitary sewer and stormwater conveyance along the road. The project is under Bid Advertisement with construction starting in early spring 2024.

Project Attributes

Roadway Expansion and Overlay
ADA Compliant Design
Utility Design (water, sewer, storm)
Topographic Survey

Key Personnel

Patrick Skillings, Ian Lee



References

City of Bremerton - Washington and 11th Street Improvement

Nick Ataie, PE

Engineering Project Manager 345 6th St Ste 600
City of Bremerton, Public Works and Utilities Bremerton, WA 98337
(360) 473-2306
nick.ataie@ci.bremerton.wa.us

Contract amount—\$530,000

Term of the Contract/Time period in which work was accomplished

Start Date— 2019-2023 (under construction)

City of Chehalis - Kresky Avenue Resurface

Celest Wilder, CFM

Engineering Technician II 350 N Market Blvd,
City of Chehalis Public Works Chehalis, WA 98532
(360) 748-0238
cwilder@ci.chehalis.wa.us

Contract amount—\$118,559.39

Term of the Contract/Time period in which work was accomplished

Start Date— 01/16/20

Completion date— 12/31/21

City of Yelm - Water Reclamation Facility Access Road

Jeff Barcott

Barcott Construction 212-34 Middlefork Rd,
(360) 840-5775 Chehalis, WA 98532
jeff@barcottconstruction.com

Contract amount—\$253,996

Term of the Contract/Time period in which work was accomplished

Start Date— June 2021

Completion date— December 2023

Description of work included in Successful Completion of Past Projects section.



Commission Work Session Minutes
Tuesday, Jan. 16, 2024

Commission President Amy Harding called the Commission Work Session of Jan. 16, 2024, to order at 3:30 p.m. at the Percival Plaza at 626 Columbia Street NW, Suite 1B, Olympics Room, In Olympia, Washington.

Present

Commissioners: Amy Harding, President; Bob Iyall, Secretary; Maggie Sanders and Jasmine Vasavada.

Attended Virtually: Commissioner Sarah Tonge.

Staff: Rudy Rudolph, Interim Executive Director; Camille St. Onge, Director of Strategic Initiatives and Commission Affairs; Ben McDonald, Director of Human Resources and Administration; Hannah Ellis, Contracts Coordinator; and Missy Goodell, Executive and Commission Coordinator.

Guest Attended Virtually: Cliff Moore, Prothman Recruiting.

Approval of Agenda

Commissioner Iyall moved to approve the agenda. Seconded by Commissioner Tonge. Motion approved unanimously.

Executive Director Panel Selection and Interview Question Discussion

Cliff Moore with Prothman Recruiting provided an update on the executive director recruitment process. Discussion involved choosing interview questions and how many panels to enlist and the type of individuals serving on those panels.

Adjourn

The meeting adjourned at 4:41 p.m.

PORT OF OLYMPIA COMMISSION

Amy Harding, President

Bob Iyall, Secretary

Maggie Sanders

Sarah Tonge

Jasmine Vasavada



Commission Meeting Minutes Monday, Jan. 22, 2024

Executive Session

4:01 p.m. Executive Session called to order. Commissioner Vasavada moved to approve the agenda; Commissioner Tonge seconded the motion; motion passed unanimously.

Present

Commissioners: Amy Harding, President; Bob Iyall, Secretary; Sarah Tonge, Maggie Sanders and Jasmine Vasavada.

Staff: Rudy Rudolph, Interim Executive Director; Warren Hendrickson, Director of Operations; Shawn Gilbertson, Director of Environmental Planning and Programs; Clarita Mattox, Real Estate Senior Manager.

Executive Session concluded at 5:10 p.m.

Commission Meeting

Commission President Amy Harding called the Commission meeting of Jan. 22, 2024, to order at 5:30 p.m. at the Percival Plaza at 626 Columbia Street NW, Suite 1B, Olympics Room, in Olympia, Washington.

Present

Commissioners: Amy Harding, President; Bob Iyall, Secretary; Sarah Tonge, Maggie Sanders and Jasmine Vasavada.

Staff: Rudy Rudolph, Interim Executive Director; Rick Hughes, Port General Counsel; Camille St. Onge, Director of Strategic Initiatives and Commission Affairs; Ben McDonald, Director of Human Resources and Administration; Warren Hendrickson, Director of Operations; Shawn Gilbertson, Director of Environmental Planning and Programs; James Sommer, Capital Assets Program Manager; Taber Lee, Marketing and Communications Senior Manager; Emily Girton, Marketing and Outreach Coordinator; Hannah Ellis, Contracts Coordinator; and Missy Goodell, Executive and Commission Coordinator.

Public: Nine individuals attended virtually over Zoom; four individuals attended in person.

Approval of Agenda

Commissioner Sanders moved to approve the agenda as presented; Commissioner Tonge seconded the motion.

Motion: Commissioner Harding moved to remove Consent Agenda item #2, CBC #2 Roof Replacement Final Acceptance from the agenda. Commissioner Tonge seconded the motion; motion passed unanimously.

Motion: Commissioner Vasavada moved to move agenda item #3 on the Action/Other Calendar, "Commission Rules Resolution 2023-08," to item #1 on the Action/Other Calendar. Motion seconded by Commissioner Tonge. Motion passed unanimously.

Commissioner Vasavada moved to accept the agenda as amended; motion seconded by Commissioner Tonge; motion passed unanimously.

Executive Director Report

No update on port events and activities.

Public Comment

Six individuals provided public comment.

Consent Calendar

Commissioner Sanders moved to approve the Consent Calendar as amended. Commissioner Tonge seconded the motion. Motion passed unanimously.

Pending Issues

None.

Action Calendar

None.

Action/Other Calendar

Commission Rules Resolution 2023-08. Rudy Rudolph, Interim Executive Director, presented proposed changes to Commission Rules Resolution 2023-08 related to the duties of the Commission Vice President as requested by the Commission.

Motion: Commissioner Vasavada moved to adopt amendments to Resolution 2023-08 as listed in the presentation cover memo, which was previously provided to the public and the Commission and was shown in the presentation, incorporating those items into the Rules Resolution, creating Resolution 2024-02. Commissioner Tonge seconded the motion. Motion passed unanimously.

Public Comment

None.

2024 Commissioner Committee Assignments. Camille St. Onge, Director of Strategic Initiatives and Commission Affairs presented the list of Commissioner Committees that are supported by Port of Olympia Commissioners. 2023 assignments were provided for reference.

Motion: Commissioner Iyall moved to approve the list of 2024 Commissioner Committee Assignments adding Commissioner Tonge to support the Thurston County Chamber. Commissioner Tonge seconded the motion. Motion passed unanimously. See below for 2024 Commission Committee assignments.

2024 Commissioner Assignments

Entity/Group/Board	Scheduled Meeting	Commissioner
Visitors Convention Bureau (VCB)	Monthly 3 rd Tuesday 3:30 PM	Commissioner Tonge Commissioner Harding
Thurston County Chamber	Monthly 2 nd Wednesday 11:30 AM	Commissioner Tonge
Transportation Policy Board	Monthly 2 nd Wednesday 7:00 AM	Commissioner Vasavada
Solid Waste Advisory Committee	Monthly 1 st Wednesday at 10:00 AM	Commissioner Harding
Tenino Chamber	Monthly 3 rd Wednesday 11:30 AM	Commissioner Sanders
Economic Development Council	Monthly 4 th Wednesday 12:00 PM	Commissioner Vasavada
Yelm Chamber	Monthly 2 nd Tuesday 11:30 AM	Commissioner Iyall
Lacey Chamber	Monthly 1 st Wednesday 11:30 AM	Commissioner Tonge
Makers Space	Monthly 2 nd Tuesday at 4:00 PM	Commissioner Tonge
Thurston Regional Planning Council	Monthly 1 st Friday 8:30 AM	Commissioner Harding
Capital Lake-Deschutes Estuary Executive Work Group	Scheduled Quarterly	Commissioner Sanders Commissioner Vasavada
Sea Level Rise Collaborative: Executive Committee	Scheduled Quarterly	Commissioner Sanders Commissioner Vasavada
Tumwater Chamber	Monthly 3 rd Wednesday at 11:30 PM	Commissioner Harding
Grand Mound Rochester Chamber	Monthly 1 st Wednesday at 12:00 PM	Commissioner Sanders
STEDI (South Thurston Economic Development Initiative)	Monthly 3 rd Friday 8 am	Commissioner Sanders
Washington Public Ports Association Trustee	Two Annual Meetings & As Needed	President, Commissioner Iyall
Joint Base Lewis McChord Community Connector Program Representative	Scheduled As Needed	Commissioner Iyall

Public Comment on Action/Other Item

None.

Election of Officers. Camille St. Onge, Director of Strategic Initiatives and Commission Affairs presented options regarding the election of officers for the new Port of Olympia Commission.

As points of information, it was suggested to schedule future Election of Officers agenda item as a last item of business on next term's agenda. It was also shared that nominations for these elections require no second motion.

Nominations for President

Motion: Commissioner Vasavada moved to nominate Commissioner Iyall as President of the Port of Olympia Commission for calendar year 2024.

Public Comment on Action/Other Item

Four individuals provided comments.

Commissioner Iyall accepted the nomination. Motion passed unanimously.

Nominations for Vice President

Motion: Commissioner Tonge moved to nominate Commissioner Vasavada as Vice President of the Port of Olympia Commission for calendar year 2024.

Public Comment on Action/Other Item

None.

Commissioner Vasavada accepted the nomination. Motion passed unanimously.

Nominations for Secretary

Motion: Commissioner Harding moved to nominate Commissioner Tonge as Secretary of the Port of Olympia Commission for calendar year 2024.

Public Comment on Action/Other Item

None.

Commissioner Tonge accepted the nomination. Motion passed unanimously.

Commissioner Harding then passed the gavel to newly-elected President, Commissioner Iyall, who then conducted the remainder of the Commission meeting.

Interim Executive Director Performance/Compensation. Rudy Rudolph, Interim Executive Director, presented executive director performance review requests for action.

Motion: Commissioner Harding moved to approve a 4% Cost of Living increase for the Interim Executive Director, effective January 1, 2024, consistent with other Port staff. Commissioner Tonge seconded the motion.

Public Comment on Action/Other Item

One individual provided comments.

Motion passed unanimously.

Motion: Commissioner Harding moved to authorize 80 hours of vacation leave cash-out for the Interim Executive Director effective immediately. Commissioner Sanders seconded the motion.

Public Comment on Action/Other Item

None.

Motion passed unanimously.

Motion: Commissioner Tonge moved to authorize four weeks of vacation for the Interim Executive Director prior to separation from Port service. Commissioner Harding seconded the motion.

Public Comment on Action/Other Item

None.

Motion passed unanimously.

Advisory Calendar

Contract Amendment for Chris Rieve. Shawn Gilbertson, Director of Environmental Planning and Programs provided background information related to ongoing Budd Inlet insurance recovery efforts.

Public Comment on Advisory Calendar

None.

Commissioner Reports/Discussion

Each commissioner provided an update of their current activities in the community.

Other Business

Commissioner Harding suggested a future discussion topic on the use of subcommittees within the Port Commission. Commissioner Vasavada requested to continue the conversation regarding the Delegation of Authority memo and the three supporting resolutions that comprise the delegation of authority and would like to have available those three documents for all to review. Commissioner Iyall summarized that these two topics will be added to a future agenda after meeting with Interim Executive Director Rudolph.

Meeting Announcements

Interim Executive Director Rudy Rudolph provided information on upcoming Commission meetings.

Adjournment

The meeting adjourned at 7:02 p.m.

PORT OF OLYMPIA COMMISSION

Amy Harding

Bob Iyall

Maggie Sanders

Sarah Tonge

Jasmine Vasavada



Commission Special Meeting Minutes Monday, Jan. 29, 2024

Commission Vice President Jasmine Vasavada called the Special Commission meeting of Jan. 29, 2024, to order at 3:30 p.m. at the Percival Plaza at 626 Columbia Street NW, Suite 1B, Olympics Room, In Olympia, Washington.

Present

Commissioners: Jasmine Vasavada, Vice President; Sarah Tonge, Secretary; Amy Harding and Maggie Sanders.

Staff: Rudy Rudolph, Interim Executive Director; Rick Hughes, General Counsel; Camille St. Onge, Director of Strategic Initiatives and Commission Affairs; Shawn Gilbertson, Director of Environmental Planning and Programs; Ben McDonald, Director of Human Resources and Administration; Jon Wolfe, Budd Inlet Project Manager; Taber Lee, Communications and Marketing Senior Manager; Hannah Ellis, Contracts Coordinator; and Emily Girton, Marketing and Outreach Coordinator.

Excused: Commissioner Bob Iyall, President.

Approval of Agenda

Commissioner Harding moved to approve the agenda; motion was seconded by Commissioner Tonge.

Commissioner Harding moved to amend the agenda, removing item D. Executive Session from the agenda. Motion seconded by Commissioner Sanders. Motion passed unanimously.

Motion to approve the amended agenda approved unanimously.

Advisory Item

Deschutes Estuary Briefing. Ann Larson and her team from the Department of Enterprise Services presented a project overview and primary benefits to the Deschutes Estuary project. Her presentation included information on the current design schedule, key milestones, governance responsibilities, dredging information, cost estimates and coordination between agencies.

The Commission took a brief break at 4: 56 p.m. and resumed the meeting at 5:01 p.m.

Action Item

Executive Director Recruitment. Cliff Moore with Prothman Recruiting provided an update on the executive director recruitment and provided his recommendations for the four finalists for this position, in alphabetical order: Joshua Cummings, Anthony Hemstad, Mike Reid and Alexandra Smith.

Motion: Commissioner Harding moved that Joshua Cummings, Anthony Hemstad, Mike Reid and Alexandra Smith move forward as finalists for the Port of Olympia executive director position. Commissioner Sanders seconded the motion. Motion passed unanimously.

Adjourn

The meeting adjourned at 5:13 p.m.

PORT OF OLYMPIA COMMISSION

Bob Iyall, President

Jasmine Vasavada, Vice President

Sarah Tonge, Secretary

Amy Harding

Maggie Sanders

COVER MEMO

Briefing Date/Time: March 11, 2024

Staff Contact/Title: Tad Kopf, Director of Finance, 360.528.8043
tadk@portolympia.com

Subject: Small Cities Program Review with proposed Resolution

Purpose: ☐ Information Only ☒ Decision Needed

Background/Overview:

Review current Small Cities Program and examine potential expansion of program.

Documents Attached:

Power Point Presentation
Resolution 2024-03

Summary & Financial Impact:

Expand Program from \$30K in 2023 to \$40K in 2024. Increase already budgeted.

Affected Parties:

Potential new unincorporated area(s) of Thurston County.

Options with Pros & Cons:


Pro: additional community economic / program assistance. Con: small increase to budgeted costs from prior year.

Staff Recommendation:


Positive, existing Program has proven beneficial in past years.

Commission Recommendation:

Pending.




PORT of OLYMPIA
Serving All of Thurston County



Small Cities Program Amendment

Tad Kopf
Director of Finance
Mar. 11, 2024



1

Today's Presentation

Action Requested

- Resolution adoption to expand Small Cities Program




2

2

Proposed Resolution Language Changes

- Extend the program to include 'unincorporated communities'
- Include language to ensure that new communities 'have sufficient government structure to accept and administer an award' from the program
- Added application question requesting the legal authority or statute under which the applicant is qualified to accept and administer Port awarded funds

3

3

Suggested Motion

"...move to approve Resolution No. 2024-03 amending the Port's Small City Economic Development Program to add language extending the program to include unincorporated communities that have sufficient governance structure, or are otherwise qualified, to accept and administer an award from the Small Cities and Communities Program."

4

4

Questions and Comments



**PORT OF OLYMPIA COMMISSION
RESOLUTION 2024-03**

**A Resolution of the Port of Olympia Commission Amending the
Small City Economic Development Program**

WHEREAS, in 2011, the Port of Olympia Economic Development Corporation (“Port EDC”) established an initial Small City Development Fund Program (“2011 Program”); and

WHEREAS, in 2017, the Port EDC terminated the 2011 Program, effective December 31, 2017; and

WHEREAS, in 2017, the Port of Olympia Commission (“Port”) re-established the Small City Economic Development Program (Program) to be administered by the Port EDC; and

WHEREAS, small cities in Thurston County have derived economic benefit from the funding provided by the 2011 and 2017 Program(s); and

WHEREAS, the Port desires to retain the 2017 Program and to have it be administered by the Port; and

Whereas, in 2022, the Port of Olympia Commission moved the Small City Economic Development Program (the “Program”) from being administered by the Port EDC to having it be administered by the Port Commission and staff in accordance with the program guidelines attached as Exhibit “A” to this Resolution; and

NOW, THEREFORE, BE IT RESOLVED that the Port of Olympia Commission hereby amends the 2022 Small City Economic Development Program (the “Program”) to add qualified unincorporated communities to the Program in accordance with the program guidelines attached as Exhibit “A” to this Resolution, and to rename the Program the “Small City and Communities Economic Development Program.”

ADOPTED by a majority of the members of the Port Commission of the Port of Olympia, a majority being present and voting on this Resolution at a regular Commission meeting on March 11, 2024, as attested to by the signatures below of the Commissioners physically present this 11th day of March, 2024.

PORT OF OLYMPIA COMMISSION

Bob Iyall, President

Jasmine Vasavada, Vice President

Sarah Tonge, Secretary

Amy Evans

Maggie Sanders

EXHIBIT A

SMALL CITY and Communities ECONOMIC DEVELOPMENT PROGRAM GUIDELINES

Port of Olympia

Small City and Communities Economic Development Program Summary

The Port of Olympia Port Commission (“Commission”) has created a Small City and Communities Economic Development Program (the “Program”). This Program, for cities and Communities in Thurston County with a population of less than 15,000, and unincorporated communities that have sufficient governance structure, or are otherwise qualified, to lawfully accept and administer the award, offers funds for use in local economic development projects. The Commission determines the total funds for the program available in any calendar year during the Port’s annual budget process. Eligible cities and unincorporated communities in Thurston County may submit one or more proposals during January and February of each calendar year to the Port Executive Director (“Executive Director”), or his or her designee, for screening. Following the January through February solicitation period, the Executive Director, or his or her designee, forwards all qualified proposals to the Commission, prior to May 1, for consideration and prioritization. The Port Commission then awards funds to the worthiest proposals no later than May 15. The number and value of individual awards may vary from year to year depending on the desires of the Commission, available Program funds, and the proposals submitted.

Port of Olympia

Small City and Communities Economic Development Program

Guidelines

1. **Purpose:** The Port of Olympia (“Port”), in an amount approved annually during the budget process by the Port Commission (“Commission”), may make funds available to the Small City and Communities Economic Development Program (“Program”). Cities and qualifying Communities may request funds via proposals (“Proposals”) submitted to the Port of Olympia Executive Director (“Executive Director”), or his or her designee, who will then screen the Proposals for submission to the Commission. The Commission shall consider and prioritize the proposals, and may approve or deny any Proposal.
2. **Applicants:** Any city, or community that has sufficient governance structure, or otherwise qualified to lawfully accept and administer an award, within Thurston County may submit a Proposal so long as their population does not exceed 15,000 citizens in the annual population estimate published by the Washington State Office of Financial Management pursuant to RCW 43.62.030 or as otherwise determined by the Port. Any participant city or community whose population exceeds 15,000 citizens in the annual population estimate published by the Washington State Office of Financial Management pursuant to RCW 43.62.030, or as otherwise determined by the Port shall be withdrawn from the Program by as provided for in paragraph 5.1 herein.
3. **Administration of Program:** The Commission and the Executive Director participate in the overall administration of the Program. Specifically:
 - The Commission determines the extent to which funds shall be provided to the Program;
 - The Executive Director, or his or her designee, is responsible for processing and initial screening of Proposals;
 - The Commission considers the Proposals submitted by the Executive Director, prioritizes Proposals, and proposes a scheme for disbursing Program funds;
 - The Commission shall have the right to examine, upon reasonable prior notice, the books and records of each city or qualifying community pertaining to any project receiving monies from the Program;
 - The Commission approves or denies the proposed disbursement of Program funds.
4. **Funding, Application, Prioritization, and Disbursal:** The Commission shall establish the funds available for the Program annually as part of the general Port budget process. All monies disbursed from the Port shall come directly from the general Port budget and comply with the procedures established herein. Monies from the Program shall be available only to cities or communities who make application pursuant to this Program.
 - 4.1 Funds awarded from the Program may be used for economic development projects undertaken by the cities or communities. A preference shall be given for Proposals that are used for matching funds. Proposals for projects shall:

- (i) Be adjudged as economic development projects, and/or
- (ii) Be funded in part by the proposing city and/or through other public funds.

Cities and qualifying communities may apply for Program funding for multiple projects each year, but each such project shall be the subject of a separate Proposal. Additionally, each Proposal has an award limit not exceeding the total amount allocated to the Program for that particular calendar year.

- 4.2** Projects undertaken by cities or qualifying communities using awarded Program monies shall conform to all applicable laws and regulations, including, without limitation, Chapter 39.80 RCW, Chapter 39.04 RCW, and Chapter 39.12 RCW.
- 4.3** The operating year (“Operating Year”) for the Program shall begin on January 1 of each year and shall end on December 31. Proposals shall be made in writing by cities or qualifying communities to the Executive Director, or his or her designee, by completing the Project Application Form in a timeframe established by the Port but in no case later than April 15. The Executive Director, or his or her designee, shall screen the Proposals prior to presentation to the Commission, and may reject Proposals that fail to meet award criteria specified in these guidelines. The Commission shall evaluate and prioritize the Proposals for funding, and shall issue final approval or rejection of all or portions of the Proposals no later than May 15 of each year. Any awarded Program monies allocated to a particular city or qualifying community for a project not applied for and allocated by March 31 of the year following the award shall no longer be available to that city under that project Proposal. In such an event, if the city desires additional award monies from the Program for that project, it must reapply through submission of a new Proposal.
- 4.4** The Commission shall evaluate and prioritize the Proposals during an open public meeting. Cities or qualifying communities with Proposals under consideration are expected to attend this meeting of the Commission to present details of the Proposal and answer Commission questions, if any.
- 4.5** The Commission shall evaluate Proposals and shall prioritize them as to which cities or qualifying communities and Proposals shall receive monies ahead of other cities or qualifying communities and Proposals. In prioritizing Proposals, the Commission may consider such factors as the amount requested for that Proposal, the amount requested and received by that city or qualifying community for all Proposals that year, the percentage of the overall total project cost requested in the Proposal, and the nature of the project that is the subject of the Proposal.

In establishing disbursement terms, the Commission shall consider such factors as the overall project budget, the amount of the project to be funded out of the Program, and if Program money will serve as “seed money” (that is, money for preliminary expenses such as architectural or engineering services).

Disbursal of awarded funds is expressly contingent on the city or qualifying community signing and entering into a Small City and Communities Economic Development Program Agreement with the Port. Under no circumstances may the Port disburse awarded Program monies to any party who has not signed and entered into a Small City and Communities Economic Development Program Agreement with the Port.

4.6 In the event that a city or qualifying community elects not to undertake or complete a project awarded Program monies based on the prioritization of its Proposal (or otherwise will not use all of the awarded Program monies allocated for its use by the Commission), then the city or qualifying community shall promptly notify the Port Executive Director. The Executive Director shall promptly notify the Commission which may, but is not required to, make such funds available to the highest prioritized city of qualifying community Proposal not previously funded by the Commission.

4.7 The Commission may award Program monies to a city's project in an amount less than requested by the city.

5. Terms of Agreement and Withdrawal: This Program shall commence on January 1, 2024 and shall continue indefinitely unless and until such time as the Port elects to discontinue and/or to withdraw from the Program. In the event the Port elects to discontinue and/or withdraw from the Program, the Program shall automatically terminate at the end of the then-current Operating Year.

5.1 Any city or community with a population of greater than 15,000 citizens as published by the Washington State Office of Financial Management pursuant to RCW 43.62.030, or as otherwise determined by the Port, shall be ineligible for participation in the Program by operation of law as of December 31 of the year in which the 15,000 population threshold is exceeded.

5.2 Upon termination of this Program, the Port shall pay any outstanding liabilities of the Program within thirty (30) days hereof.

EXHIBIT B

SMALL CITY AND COMMUNITIES ECONOMIC DEVELOPMENT PROGRAM PROJECT APPLICATION TEMPLATE

PROJECT APPLICATION

1. Applicant Information

City or Qualifying Community:
Address:
Phone: Contact:
Date: Amount Requested: \$
Statute or authority under which you qualify as a municipality or are otherwise qualified to legally accept and administer Port funds: (Port may request further documentation)

2. Project Information

Title:
Description:
Use of Funds: (e.g. professional services, site readiness, feasibility)

3. Benefits / Needs of Project

1) Is project related to job expansion/retention, recruitment or feasibility? 2) Describe job creation: direct or potential impacts?
3) Is it consistent with local or area plans? 4) Is status “ready-to-go,” “last-dollars-in,” or will help secure other sources, 5) will it help meet developer/business need timeline?

4. Budget

Total cost:	\$	Dollars committed from own/other sources (attach evidence):	\$
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5. Schedule

Attach a timeline for the project.

6. Small City and Communities Economic Development Program Agreement

Project Application approval is contingent on execution of the Small City and Communities Economic Development Program Agreement.

EXHIBIT C

Port of Olympia Small City Economic Development Program Agreement Template

Port of Olympia Small City and Communities Economic Development Program Agreement

THIS AGREEMENT (“Agreement”) is entered into on this ____ day of _____, 2014, by the Port of Olympia (“Port”), and the City or qualifying Community of _____ (“_____”) (collectively, the “Parties”).

I. RECITALS

- A. On _____, [City or qualifying Community] submitted a Small City and Communities Economic Development Program Project Application (the “Application”), a copy of which is attached hereto as **Exhibit A**.
- B. On _____, the Port approved [City or qualifying Community]’s Application and granted the proposal funds totaling _____.
- C. In order to clarify each Party’s legal obligation under the Small City and Communities Economic Development Program, and to identify the specifics of the reimbursement process, the Parties seek to enter into the following agreement.

II. AGREEMENT

In consideration of the promises and obligations set forth below, the Parties agree as follows:

- A. Incorporation:** The Parties hereby incorporate by reference the above Recitals, as though fully set forth herein.
- B. Requirement to Conform with Applicable Laws:** Projects undertaken by [City or qualifying Community] using awarded Small City and Community Economic Development Program (the “Program”) monies shall conform to all applicable laws and regulations, including without limitation Chapter 39.80 RCW, Chapter 39.04 RCW, and Chapter 39.12 RCW, as may be applicable.
- C. Reimbursement Process:** [City or qualifying Community] shall be solely responsible for timely payment of all invoices submitted by vendors, professionals, contractors, and any other parties providing goods and/or services for the project. [City or qualifying Community] shall submit to the Port of Olympia Executive Director (“Executive Director”), or his or her designee, paid project invoices for reimbursement. Such invoices shall be provided to the Executive Director, or his or her designee, the earlier of (i) ninety (90) days after the provision of the goods and/or services being billed for therein, and by no later than March 31 following the then-current Operating Year. The Executive Director, or his or her designee, shall determine the reimbursement based on the invoice amount, the funding ratio, and the balance of the Program monies allocated to that city or qualifying community for that project. The Port of Olympia (the “Port”) shall in turn make payment directly to the city or qualifying community, based on the information received from the Executive Director, or his or her designee. [City or qualifying Community] shall receive the reimbursement payment within thirty (30) days

of the Port's receipt of the invoice. Neither the Port nor the Program shall be obligated in any way to reimburse [City or qualifying Community] for invoiced goods and/or services if [City or qualifying Community] fails to submit the invoice in a timely fashion.

- D. Liability:** [City or qualifying Community] shall be solely responsible for all costs, expenses, damages, claims and obligations arising out of any or all projects undertaken thereby. Nothing herein shall be construed as creating any obligation on the part of the Port of Olympia, the Executive Director, or the Program as a guaranty of payment of any obligation incurred by [City or qualifying Community] arising out of any projects undertaken thereby. **The Port may require [City or qualifying community] liability or other applicable insurance at its discretion as a condition of funding.** Nothing contained herein shall be construed as an obligation benefiting any person or entity that is not a Party hereto, or shall be deemed as inuring to the benefit of any third party.
- E. Survivability:** All covenants, promises, and performance not fully performed as of the date of termination of the Program shall survive termination as binding obligations.
- F. Notices:** All notices, demands, requests, consents and approvals which are or may be required to be given by any Party to any other Party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by certified or registered mail, posted prepaid, return receipt requested to the address provided below for each Party.

Port of Olympia City or qualifying Community of _____
Economic Development Corporation _____
626 Columbia St. NW #300 _____
Olympia, WA 98501 _____

The Executive Director, or his or her designee, shall receive all mail relating to the Program for the Port.

- G. Amendment:** Modification, termination or amendment of this Agreement requires written agreement, duly authorized and executed by all Parties, except as provided for herein.
- H. Waiver:** No failure by any of the foregoing Parties to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement, or to exercise any right or remedy consequent upon breach thereof, shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. Any Party hereto, by notice and only by notice as provided herein, may but shall not be obligated to waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Party hereto. No waiver shall affect or alter this Agreement, and each covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof.
- I. Severability:** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

- J. Captions:** The captions of this Agreement are for convenience and reference only and in no way define, limit or describe the scope of intent of this Agreement.
- K. Neutral Authorship:** All Parties to this Agreement have reviewed and negotiated each provision, and the agreement represents the combined work product of all Parties hereto. No presumption or other rules of construction that would interpret the provisions of this Agreement in favor of or against the Party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.
- L. Governing Law:** The laws of the State of Washington shall govern this agreement and the rights of the Parties hereto. The Parties agree that any such action venue shall lie exclusively in Thurston County, Washington.
- M. Attorney's Fees and Costs:** Should any Party bring suit to enforce any provision of this Agreement or to redress any breach thereof, the prevailing Party in such litigation shall be entitled to recover its costs and reasonable attorney's fees.
- N. Entire Agreement:** The entire agreement between the Parties hereto is contained in this Agreement, and this Agreement supersedes all of the Parties' previous understandings and agreements, written and oral, with respect to this matter.
- O. No Separate Legal Entity Created:** This Agreement creates no separate legal entity.
- P. Term:** This Agreement is effective [fill in] and shall terminate on [fill in] unless extended by the Parties in writing.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year above, and certify that this Agreement was approved in an open public meeting by their respective legislative bodies.

BY: _____
[Name]
[Title]
Port of Olympia

BY: _____
[Name]
[Title]
City or Community of _____

Date: _____

Date: _____

APPROVED AS TO FORM :

APPROVED AS TO FORM :

BY: _____
[Name]
[Organization]
Port Legal Counsel

BY: _____
[Name]
City Attorney
City or Community of _____

Date: _____

Date: _____

COVER MEMO

Briefing Date/Time: March 11, 2024

Staff Contact/Title: Ben McDonald, Director of Human Resources & Administration, 360.528.8003, benm@portolympia.com

Subject: Legal services contract of Rick Hughes, PLLC

Purpose: ☐ Information Only ☒ Decision Needed

Overview:

Action required.

Background:

Rick has provided his legal services and has represented the Port as our General Counsel since April 1, 2022. Rick is looking to transition out of this role but will remain our General Counsel till June 30, 2024. An amendment to his contract is needed to retain him until the end of June 2024.




PORT of OLYMPIA
Serving All of Thurston County

Contract Amendment for Rick Hughes PLLC

Ben McDonald
Director of Human Resources and Administration
Mar. 11, 2024



1



Today's Presentation

Action Other/Approval Requested

- Seeking approval to amend the contract with the Law Office of Richard Hughes, PLLC.



2

Background

Law Office of Richard L. Hughes PLLC

- General Counsel for Port of Olympia since 2022
- Provided consultation and legal advice on the following topics:
 - Environmental
 - Real Estate
 - Employment
 - Attends regular commission meetings and Executive Session as needed
 - Advises commission on Roberts Rules procedures

3



3

Contract No. 2022-1015

Action: Amendment Number 3

Contract History	Amount	Effective Date
Initial Contract	\$100,000	March 6, 2022
Amendment #1 increase	\$250,000	October 10, 2022
Amendment #2 increase	\$33,000	November 6, 2023
Proposed Amendment #3 increase	\$100,000	March 11, 2024
New NTE Total	\$483,000	

4



4

Questions and Comments

Suggested Motion

"...move to authorize the Interim Executive Director to sign amendment #3 regarding contract number 2022-1015 for a contract authority increase of \$100,000 with the Law Office Richard L. Hughes PLLC with a term date of June 30, 2024, and a NTE amount of \$483,000."

5



5

COVER MEMO

Briefing Date/Time: March 11, 2024

Staff Contact/Title: Clarita Mattox, Real Estate Senior Manager
claritam@portolympia.com

Subject: M&D Food LLC – Assignment of Space Lease

Purpose: ☒ Information Only ☐ Decision Needed

Overview:

This item is an advisory item and will return to the Commission for ratification via the consent agenda at the March 25, 2024, public meeting.

Background:

The Port entered into a Restated and Amended Lease Agreement in 2015 with Kyoung Jae Kim, for approximately 1,450 square feet of space in the building commonly known as Airport Retail Building. The lease was granted to Ms. Kyoung to operate the well-known restaurant Red Wagon Burgers. The building is located in the Airport's commercial district at the corner of Tumwater Boulevard and Old Highway 99, in Tumwater.

The agreement provided for a five-year space lease with two additional options to extend the term. Ms. Kyoung assigned the lease to ST&MS Enterprises Inc., in 2016, who in 2017 assigned the lease to the current tenant M&D Food LLC, the current tenant. The tenant has run a very successful restaurant operation. M&D Food LLC wishes to assign the lease now to J&Alen LLC., who will continue to operate as Red Wagon Burgers.

The remaining term of the lease is five years with one option to extend that term for additional five years or through December 2034. Port has conducted its customary due diligence process for J&Alen LLC, and through that process requested a personal guarantee and additional security deposit.

Documents Attached:

Power Point Presentation

Copy of the assignment

Summary & Financial Impact:

The rent will continue to be adjusted annually by 2.5% through December 2029, and commencing January 2030 the rent will be modified to be in accordance with the then Commission policy.

Affected Parties:

The Port, M&D Food LLC, and J&Alen LLC.

Options with Pros & Cons:

The assignment of the lease will secure continuation of a successful small business in Tumwater and secure incoming revenues to the Port for the next ten years.

Staff Recommendation:

None at this time. Port will bring this item back as a Consent item on March 25, 2024, for Commission to ratify assignment of the lease.



PORT of OLYMPIA
Serving All of Thurston County

Assignment of Space Lease: M&D Food LLC

Clarita Mattox
Real Estate Senior Manager
Mar. 11, 2024



1



Today's Presentation

Advisory Item – No Action Required

- Assignment of space lease
- Tenant: M&D Food LLC
dba Red Wagon Burgers
- Location: Airport Retail Building
705 Old Highway 99 SW
Tumwater



2

Background

Space Lease Assignment – M&D Food LLC

- 2015 initial space lease: Kyoung Jae Kim for 1,450 square feet
 - Initial Term: Five years plus two additional options to extend term
- 2016 lease assignment: Kyoung Jae Kim to ST&MS Enterprises
- 2017 lease assignment: ST&MS to M&D Food LLC, current tenant
- 2024 lease assignment request: M&D Food LLC to J&Alen LLC

3



3

Background (cont'd)

Space Lease Assignment – M&D Food LLC

- Remaining term: Ten years, expiring December 31, 2034
- Rent adjustments: 2.5% annual increase through 2029
- Rent adjustments: 2030 to 2034 based on then Commission policy
- J&Alen LLC:
 - Experienced restaurant owner and operator
 - Port conducted customary due diligence
 - Port requested and received a personal guaranty and additional deposit to meet Port financial requirements

4



4

Next Steps

Future Commission Action

- Consent agenda item
- Regular meeting March 25, 2024

5



5

Questions and Comments

6



6

ASSIGNMENT OF LEASE,

ACCEPTANCE OF ASSIGNMENT OF LEASE (ASSIGNEE),

AND CONSENT TO ASSIGNMENT OF LEASE (LANDLORD)

THIS ASSIGNMENT OF LEASE, ACCEPTANCE, AND CONSENT is made and entered into this ____ day of _____ 2024, by and between the **PORT OF OLYMPIA**, a Washington municipal corporation, hereinafter called the “**Port**”, **M&D FOOD LLC.**, hereinafter called the “**Tenant**”, and, **J & ALLEN LLC**, hereinafter called the “**Assignee**”.

WHEREAS, the Port entered into a space lease with Kyoung Jae Kim on March 11, 2015, regarding premises located at NewMarket Industrial Campus consisting of approximately 1,450 s.f., commonly known as **7205 Old Highway 99 SW, Suite 101, Tumwater WA 98501**; the space lease was subsequently assigned from Kyoung Jae Kim to ST & MS Enterprises by Assignment dated May 11, 2016; and ST & MS Enterprises assigned the space lease to **Tenant** by assignment dated January 7, 2017.

WHEREAS, Tenant now desires to assign its interest in the Lease and in the Premises to Assignee; and

WHEREAS, Assignee desires to accept assignment of the Lease from Tenant; and

WHEREAS, the Port is willing to consent to assignment of the lease from Tenant to Assignee, upon and subject to the terms and conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the promises, covenants, conditions, and agreements herein, and other good and valuable consideration, the parties hereby agree as follows:

1. Tenant hereby assigns to Assignee all of its right, title, and interest in and to the Lease and the Premises, effective as of **March 26, 2024**, subject to the conditions described below.

2. Tenant hereby further acknowledges and agrees that Tenant shall not by this Assignment of Lease, Acceptance, and Consent be released from any obligations or responsibilities to be performed by the Tenant under the Lease and any amendments or changes thereto, but rather shall continue to remain jointly and severally liable as a principal with respect to the Lease. Tenant hereby further waives notice of any subsequent changes or amendments to the Lease, or any default under the Lease. In the event of any default or failure to perform in any respect, the Port may elect to proceed against anyone, several, or all of the Tenants or Assignees, and by so doing shall not thereby release or waive any rights the Port may have against any other persons or entities. Provided, however, that Tenant shall in no event be liable beyond the terms and conditions in existence as of the date of this Assignment of Lease, Acceptance, and Consent, as if the same had not hereafter been amended or changed.

3. Assignee hereby accepts assignment of Tenant’s right, title, and interest in the Lease and the Premises, and assumes and agrees to make all the payments and to perform all the terms, conditions, and covenants of the Lease (including all changes and additions thereto) that are to be performed by the Tenant therein, effective as of **March 26, 2024**.

4. Assignee hereby further agrees to post security and liability insurance in amounts and form in accordance with the terms of the Lease and satisfactory to the Port prior to the effective date of such assignment. Such security deposit shall not be less than Twenty-Two Thousand Dollars (\$22,000.00 USD)

5. Assignee hereby further acknowledges and agrees that it has received and reviewed a photocopy of the Lease, including all exhibits and other papers relating thereto and any changes or additions made to any of the above, that it is familiar with the terms thereof and accepts the same as stated, and that Assignee is not relying on any representations, warranties, or assurances of any kind by the Port with respect thereto.

6. Assignee hereby further acknowledges and agrees that it has made a full and complete inspection of the Premises and accepts the same "AS IS" in their present condition, and that the Assignee is not relying on any representations, warranties, or assurances of any kind by the Port with respect thereto.

7. Tenant and Assignee hereby further acknowledge and agree that the Port's consent to this assignment does not waive the requirement of the Port's consent, or the Port's right to object or withhold consent, to any future assignment or subletting of the Lease or the Premises.

8. The Port hereby consents to Tenant's assignment of its interest in the Lease and the Premises to Assignee, and hereby accepts Assignee herein as the Tenant under the Lease, effective as of **March 26, 2024**, upon and subject to the terms and conditions stated herein, and subject to approval or ratification by the Port of Olympia Commission within thirty (30) days from the date hereof as provided below. **This assignment is further conditioned upon closing of a Purchase & Sale Agreement between M&D Food LLC and J & Allen LLC for purchase of the business, on or before March 29, 2024. In the event the sale transaction does not close, this assignment shall automatically be null and void.**

9. Guaranty.
Landlord and Tenant acknowledge that **J & Alen LLC** is a wholly-owned limited liability corporation that agrees to act as guarantor and to guarantee to Landlord and its successors and assigns the full, faithful, and punctual performance and observance by Tenant of all obligations, covenants, and conditions to be performed and/or observed by Tenant as set forth in this Lease; and further guaranteed by the attached Exhibit A to this Assignment known as Personal Guaranty.

10. In any action or proceeding, including but not limited to arbitration, and including all appeals, brought to enforce this Agreement, to determine or declare the rights and duties under this Agreement, or to resolve a dispute, breach, or default in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs, including expert witness fees, incurred in such action or proceeding, in addition to any other relief to which such party may be entitled.

TENANT:

M & D FOOD, LLC.

Mishil Kim Cho, Member

Address: 6641 Montevista Dr SE
City/State: Auburn WA 9892
Phone: 253-886-3479
Email: seattlechoice@yahoo.com
Email cc: mkc0428@gmail.com

ASSIGNEE: J & ALLEN LLC

By: _____
Name: **Un S. Dierking, President/Owner**

Contact Information:

Address: 5709 Vermont Ave SE
City/State: Olympia WA 98513-5236
Phone: 360-513-3455
Email: unsukdierking@gmail.com

PORT: PORT OF OLYMPIA

By: _____
Robert H. Rudolph, Jr.
Interim Executive Director

STATE OF WASHINGTON)
) ss
COUNTY OF _____)

On this ____ day of _____, 2024 personally appeared before me **MISHIL KIM CHO**, to me known or sufficiently proven to be the person(s) named in the within and foregoing **Assignment of Lease, Acceptance, and Consent as Assignee**, and said person(s) acknowledged that he/she/they signed said instrument, on oath stated that he/she/they is/are authorized to sign said instrument and acknowledged it as the _____ of **M&D FOOD LLC.**, to be the free and voluntary act and deed of such party for the uses and purposes mentioned in said instrument.

In witness whereof, I have hereunto set my hand and seal the day and year above written.

Printed Name: _____
Notary Public in and for the State of Washington
Residing at: _____
My commission expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF _____)

On this ____ day of _____, 2024, personally appeared before me **UN S. DIERKING**, to me known as President/Owner, or sufficiently proven to be the individuals named in the within and foregoing **Assignment of Lease, Acceptance, and Consent as Tenant**, and said person(s) acknowledged that he/she/they signed said instrument and acknowledged that he/she/they is/are authorized to sign said instrument and did so as his/her/their free and voluntary act and deed for the uses and purposes mentioned in said instrument.

In witness whereof, I have hereunto set my hand and seal the day and year above written.

Printed Name: _____
 Notary Public in and for the State of Washington
 Residing at: _____
 My commission expires: _____

[illegible]

On this ____ day of _____, 2024, personally appeared before me, **ROBERT H. RUDOLPH, JR.**, to me known to be the Interim Executive Director of the Port of Olympia, the municipal corporation named in the within and foregoing **Assignment of Lease, Acceptance, and Consent**, and said person acknowledged that he signed the same on its behalf, as he is so authorized to do, as the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

In witness whereof, I have hereunto set my hand and seal the day and year above written.

Printed Name: _____
 Notary Public in and for the State of Washington
 Residing at: _____
 My commission expires: _____

This Assignment of Lease, Acceptance, and Consent shall be subject, as a condition subsequent, to ratification by the Port of Olympia Commission within thirty (30) days after the date set forth on page 1 hereof. **This Assignment of Lease, Acceptance, and Consent** shall be effective and binding on the parties until such time (and thereafter if ratified), the Executive Director having the authority to sign this Assignment of Lease, Acceptance, and Consent and to bind the Port to all of its material terms subject to ratification by the Port Commission. If this Assignment of Lease, Acceptance, and Consent is not ratified as required herein, then it shall terminate and be of no further force and effect.

PORT OF OLYMPIA COMMISSION

Date: _____

On this ____ day of _____ 2024, personally appeared before me _____
to me known to be the _____ of the Port of Olympia Commission, the municipal
corporation named in the within and foregoing **Assignment of Lease, Acceptance, and Consent**, and
said person acknowledged that he signed the same on its behalf, as he is so authorized to do, as the free
and voluntary act and deed of such party for the uses and purposes therein mentioned.

Printed Name: _____
 Notary Public in and for the State of Washington
 Residing at: _____
 My commission expires: _____

EXHIBIT A

UN S. DIERKING PERSONAL GUARANTY

NOW THEREFORE, IT IS HEREBY AGREED, in consideration of entering into this Agreement by and between the Port, Tenant, and Assignee, in reliance on this Guaranty, the undersigned hereby absolutely, unconditionally, and irrevocably guarantee to the Port and its successors and assigns, without deduction by reason of set-off, defense or counterclaim, the payment of Rent to be paid by Assignee and the full performance by Assignee of all the terms, conditions, covenants, and agreements of the Lease, and the undersigned shall pay all of the Port's expenses, including reasonable attorneys' fees incurred by the Port in enforcing all obligations of the Assignee under the Lease or incurred by the Port in enforcing this Guaranty. The Port's consent to any assignment, amendment, extension, renewal, or termination of this Lease, made either with or without notice to the undersigned, or an amended use of the Premises, or Port's forbearance, delay, extension of time or any other reason whether similar to or different from the foregoing, shall not release the undersigned from personal liability as Guarantors.

This Guaranty shall be enforceable against the Guarantors without the necessity of any suit or proceeding by the Port against the Assignee or any other party. Guarantors waive any and all defenses, rights of subrogation, reimbursement, indemnification, contribution, and any other rights or defenses that are or may become available to it.

This Guaranty shall not be discharged, and the liability of the Guarantor shall not be affected by the release or discharge of Assignee in any receivership, bankruptcy, or other proceeding. This Guaranty shall bind Guarantor's successors, assigns, heirs, and legal and personal representatives.

The Guarantor understand and accept the terms and conditions of this Guaranty.

DATED: this _____ day of _____, 2024.

GUARANTOR(S)

By: _____
Un S. Dierking

Phone: 360-513-3455
Address: 5709 Vermont Ave SE, Olympia WA 98513
Email: unsukdierking@gmail.com
Email cc:

COVER MEMO

Briefing Date/Time: March 11, 2024

Staff Contact/Title: Clarita Mattox, Real Estate Senior Manager
(360) 528-8070, claritam@portolympia.com

Subject: Lease Amendment No. 8 – Olympia Marine Center

Purpose: ☒ Information Only ☐ Decision Needed

Overview:

This item is an Advisory item and no action is required. This topic will return to the Commission for ratification via the Consent agenda at the Commission’s March 25, 2024 public meeting.

Background:

Port entered into a land lease in 1999 with Simon John LLC for the construction and operation of a multiple use marina support facility. The land lease was assigned from Simon Johnson to Swantown LLC in 2019, and Swantown LLC assigned it to Olympia Marine Center (“Tenant”) in 2020.

The initial term was 30 years, expiring in 2029, with one 10-year option (first option). Tenant requests a second option to extend the term for an additional 15 years to meet the banking requirement for refinancing purposes.

The Port rents space in the Olympia Marine Center for the Port maintenance team, and as part of this Amendment No. 8, the Port is requesting Tenant address certain deferred maintenance on the building by summer 2024.

Documents Attached:

Power Point Presentation
Lease Amendment No. 8

Summary & Financial Impact:

The amendment requires an appraisal to be conducted prior to the effective date of either option to extend the term. Appraisals will be conducted to bring the rent to the then market rates by applying the then Commission policy for rent adjustments.

Affected Parties:

Olympia Marine Center and the Port of Olympia

Next Steps/Timeframe:

Staff will present Lease Amendment No. 8 to the Commission for ratification via the Consent agenda at the Commission's March 25, 2024, public meeting.




PORT of OLYMPIA
Serving All of Thurston County

Lease Amendment No. 8: Olympia Marine Center

Clarita Mattox
Real Estate Senior Manager
Mar. 11, 2024




1



Today's Presentation

Advisory Item – No Action Required

- Amendment No. 8: To provide an additional option to extend the term
- Tenant: Olympia Marine Center
- Location: Swantown Boatworks area
700 Marine Drive NE
Olympia



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Background

Olympia Marine Center

- 1999 initial land lease: Simon Johnson, for construction of a marina support facility
 - Initial Term: Thirty years with one 10-year option (first option) to extend term
- 2019 lease assignment: Simon Johnson to Swantown LLC
- 2020 lease assignment: Swantown LLC to Olympia Marine
- 2024 request by Olympia Marine Center: Amendment to the lease for an additional 15-year option (second option) for refinancing purposes
 - Remaining Initial Term: Five years plus the first 10-year option

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Terms

Lease Amendment No. 8 – Terms for Option Periods

- Additional 15-year option to extend the term
- Duration of the term: Through April 30, 2054
- Rent adjustment for first and second option periods:
 - First 10-year option: Appraisal required to determine the monthly rent
 - Second 15-year option: Appraisal required to determine the monthly rent
 - Rent to be based on then Commission Policy for both options
- Olympia Marine to perform deferred maintenance items on the building (roof cleanup, parking lot repairs, gutters repairs)

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Next Steps

Future Commission Action

- Consent agenda item
- Regular meeting March 25, 2024

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Questions and Comments

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LEASE AMENDMENT NO. 8

PORT OF OLYMPIA SWANTOWN BOATWORKS GROUND LEASE

THIS LEASE AGREEMENT NO. 8 is made this _____ of _____, 2024, by and between the **PORT OF OLYMPIA**, a Washington municipal corporation (hereinafter referred to as the “Port”), as Lessor, and **OLYMPIA MARINE CENTER, LLC**, a Washington limited liability corporation (hereinafter referred to as “Tenant”), as Lessee.

W I T N E S S E T H:

WHEREAS, the Port and Simon Johnson LLC, herein referenced as “Simon” entered into a Lease Agreement dated May 6, 1999, covering specific premises owned by Port and leased to Tenant for the construction and operation of multiple use marina support facility; and

WHEREAS, the Port and Simon amended the Lease Agreement with Lease Amendment No. 1 dated January 10, 2000, for the purpose of rescheduling the rent payments; and

WHEREAS, the Port and Simon amended the Lease Agreement with Lease Amendment No. 2 dated October 9, 2003, for the purpose of changing the Total Base Rent Reserved to Tenant to reflect the additional improvements made to the leased premises; and

WHEREAS, the Port and Simon amended the Lease Agreement with Lease Amendment No. 3 dated April 6, 2010, for the purpose of changing the percentage rent provisions; and

WHEREAS, the Port and Simon amended the Lease Agreement with Lease Amendment No. 4 dated May 24, 2014, for the purpose of adjusting the method in which rent revisions are made, adjusting the rent, and subsequently adjusting the surety requirement accordingly; and

WHEREAS, the Port and Simon amended the Lease Agreement with Lease Amendment No. 5 dated October 1, 2014 for the purpose of adjusting the rent and surety requirement accordingly; and

WHEREAS, the Port and Simon amended the Lease Agreement with Lease Amendment No. 6 dated October 12, 2015, modifying the minimum monthly rent; modifying the method by which the rent was adjusted, and amending the surety requirements accordingly; and

WHEREAS, the Port and Simon amended the Lease Agreement with Lease Amendment No. 7 dated April 1, 2019, for the purpose of memorializing the Minimum Ground Rent and Surety accordingly; and,

WHEREAS, the Port, Simon, and Swantown LLC entered into an Assignment of Lease, Acceptance of Assignment of Lease and Consent to Assignment of Lease dated May 3, 2019,

with Simon as Assignor and Swantown LLC as Assignee, referenced hereafter as Swantown; and,

WHEREAS, the Port, Swantown and Olympia Marine Center entered into an Assignment of Lease, Acceptance of Assignment of Lease and Consent to Assignment of Lease dated November 10, 2020, with Swantown as Assignor and Olympia Marine Center as Assignee referenced hereafter as Tenant; and,

WHEREAS, the Port and Tenant now desire to amend the lease for the purpose of memorializing agreement to provide an additional Option to Extend the Term, define the method by which rental rates would be updated and rent adjustments; and to memorialize a list of deferred maintenance improvements to be performed by Tenant by July 31, 2024.

NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED that the Lease between the parties shall be amended as follows:

1. Paragraph 1, **LEASE SUMMARY, OPTION TO RENEW** shall be amended as follows:

Port grants an additional Option (Option 2) to extend the term of the lease for fifteen (15) years. Such extension will commence May 10, 2039, and expiring May 9, 2054.

Such renewal shall be upon the terms, covenants, and conditions contained in the Lease, as amended (except for rent, rental adjustments, and the times at which rental adjustments shall be made, all of which shall be determined in accordance with the then current Commission policy. The renewal term shall commence on the expiration of the immediately preceding term. Such Option to Renew may be exercised only by written notice to the Port no later than one hundred and eighty (180) days prior to the expiration of the then current term. Tenant shall not be entitled to renew the lease if Tenant is in default on the performance of its obligations under the Lease at the date notice of renewal is due or at the date the renewal term is to commence.

Paragraph 1, **LEASE SUMMARY, ADDITIONAL PROVISIONS**, shall be amended by adding the following subparagraph:

RENT FOR OPTION 1 and OPTION 2:

At the commencement of Option 1 and Option 2 terms, respectively, the land rental rate shall be calculated based on the value determined by an appraisal procedure as described in the Lease, Paragraph 35 APPRAISAL PROCEDURE, and the monthly rent shall be calculated based on the then Commission policy. Such appraisal(s) shall be ordered by the Port upon written Notice of Exercise from Tenant, for each option, which in no event shall be less than one hundred eighty (180) days prior to the expiration of each Option.

2. Paragraph 1, **LEASE SUMMARY, ADDITIONAL PROVISIONS**, shall be amended by adding the following:

TENANT IMPROVEMENTS: Tenant shall perform the following deferred maintenance items in a manner that follows local and state code and requirements, by no later than July 31, 2024,

To maintain the building in a professional and attractive manner:

- a. **Parking Lot:** The sinking hole and any associated utility connections that seem to be or are confirmed to be failing, along with repairing and sealing any cracks, restriping the entire parking lot and access areas to the premises, and such improvements shall be performed by professional contractors.
- b. **Roof:** Tenant shall have the roof professionally cleaned as professionally recommended for the type of roof on the building.
- c. **Gutters:** Tenant shall cause to have the gutters professionally cleaned and appropriately fastened to the building.

THE REST AND REMAINDER OF THE LEASE shall remain in full force and effect and is affirmed and ratified by the signatures of the parties.

LESSOR:
PORT OF OLYMPIA

LESSEE/TENANT:
OLYMPIA MARINE CENTER LLC

By: _____
Robert H. Rudolph, Jr.
Interim Executive Director

By: _____
Austin Rognlin
Owner

[illegible]

On this _____ day of _____, 2024, personally appeared before me **ROBERT H. RUDOLPH, JR.**, to me known to be the **Interim Executive Director at the Port of Olympia**, the municipal corporation named in the within and foregoing **Lease Amendment No. 8**, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Printed name: _____
 NOTARY PUBLIC in and for the State of Washington,
 residing at _____
 My commission expires: _____, 20____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 2024, personally appeared before me **AUSTIN ROGNLIN**, to me known to be the **Owner of Olympia Marine Center LLC**, the entity named in the within and foregoing **Lease Amendment No. 8** and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Printed name: _____
 NOTARY PUBLIC in and for the State of Washington,
 residing at _____
 My commission expires: _____, 20_____

RATIFICATION

This Lease shall be subject, as a condition subsequent, to ratification by the Port of Olympia Commission within thirty (30) days after the date set forth on Page 1. This **Lease Amendment No. 8** shall be effective and binding on the parties until such time (and thereafter if ratified), the Executive Director having the authority to sign this Lease and bind the Port to all of its material terms. If this Lease is not ratified, it shall terminate and be of no further force and effect.

The undersigned confirms that this Lease was ratified by the Port of Olympia Commission on _____, 2024.

Port of Olympia Commission

By: _____

Print Name: _____

Port Commission President

Date: _____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 2024, personally appeared before me _____, to me known to be the President of the Port of Olympia Commission, the municipal corporation named in the within and foregoing **Lease Amendment No. 8**, and acknowledged to me that he signed the same on its behalf, as she is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Print Name: _____

NOTARY PUBLIC in and for the State of Washington,
residing at _____

My commission expires: _____

COVER MEMO

Briefing Date/Time:	March 11, 2024
Staff Contact/Title:	Afsin Yilmaz, Marine Terminal Senior Manager (360) 528-8015, afsiny@portolympia.com
Subject:	Surplus of Port Property: Four Flat Deck Rail Cars 2024 Capital Budget Amendment: Purchase of Forklifts
Purpose:	<input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Decision Needed

Overview:

This item is an Advisory item before the Commission. No action is required.

The purpose of bringing this issue before the Commission is two-fold:

1. Commission approval to surplus unneeded Port property, and
2. Commission approval of a capital budget amendment to purchase much needed equipment.

Proceeds from the sale of surplus equipment will offset the cost of the capital budget purchase.

This topic will return to the Commission for action via the Action agenda at the Commission's March 25, 2024 public meeting.

Background – Surplus of Port Property (Railcars):

As part of a larger Marine Terminal project funded via a 2011 FRA-WSDOT (Federal Railroad Administration – Washington State Department of Transportation) grant – “Port of Olympia Intermodal Infrastructure Enhancement Project” – the Port procured four used 60-foot flat deck railcars, funded 100% by this grant in the amount of \$155,127.

Since completion of the initial project, these railcars have been rarely used and are no longer considered necessary for Port operations. In addition, a recent inspection has determined that these railcars have significant maintenance needs.

Surplus of Port property is subject to the following governing documents:

- Port Resolution 2024-01
- RCW 53.08.090

The Port-calculated current value of the railcars is \$60,112. Since the value exceeds \$22,000, Port Commission approval is required to surplus them.

Additionally, since these railcars were purchased with a grant, their surplus is also subject to the approval of the FRA, the awarding agency, per the guidance published in:

- 49 CFR 18

On February 28, the Port requested FRA review of the proposed property surplus, a determination of the net grant obligation value in dollars, and approval of the surplus. An FRA response is expected by March 11, 2024.

There has been interest from the private sector to purchase the railcars. Assuming both Port and FRA approval of the surplus process, Port staff will seek competitive bids to maximize the return to the Port.

Background – Capital Budget Amendment (Purchase of Forklifts):

While recognizing the presence of unneeded equipment, Port staff has also determined there is a great need for specialized forklifts to serve ongoing Marine Terminal operations. Four forklifts are currently being leased at a gross monthly cost of \$7,884. These forklifts are very difficult to source, and up to four of them are now available to purchase immediately.

These forklifts are multifunctional and may be used to load railroad boxcars as well as tractor trailers. Given their recently established availability for purchase, the Port has been presented with a favorable market opportunity to eliminate unnecessary equipment, purchase needed equipment, and eliminate a \$7,884 monthly lease expense. The total purchase price of four forklifts is \$226,664, including sales tax.

Port Commission approval of an amendment to the 2024 capital budget is necessary because this purchase is not specifically “named” within it.

An infusion of additional Port funds is not required:

1. Proceeds from sale of four railcars will offset the cost of up to four forklifts, and
2. If necessary, up to \$200,000 of unobligated funds are available within the capital budget from the Commission-approved "Capital Contingency Projects" line item.

While the surplus of railcars and the purchase of forklifts would normally be completely independent transactions, they are inextricably linked. The return of funds to the Port from the disposed equipment will enable the purchase of forklifts. The Port will replace unneeded equipment with needed equipment, while simultaneously eliminating almost \$8,000 per month in expenses.

Both Port and FRA approvals are required for the surplus transaction to take place, while also resolving remaining grant obligations to the FRA.

Documents Attached:

PowerPoint Presentation

Summary & Financial Impact:

The Port acknowledges the opportunity to procure, maintain, and facilitate the efficient use of maintenance heavy equipment. Unnecessary, space-consuming equipment will be eliminated, and the Port will purchase the type of equipment most needed in daily warehouse operations.

The Port will surplus four railcars via a competitive sale process to the highest bidder and will then use the proceeds to procure up to four forklifts, permanently eliminating \$7,884 in monthly lease costs for immediate financial benefit.

Affected Parties:

Port of Olympia

Federal Railroad Administration (FRA)

WSDOT

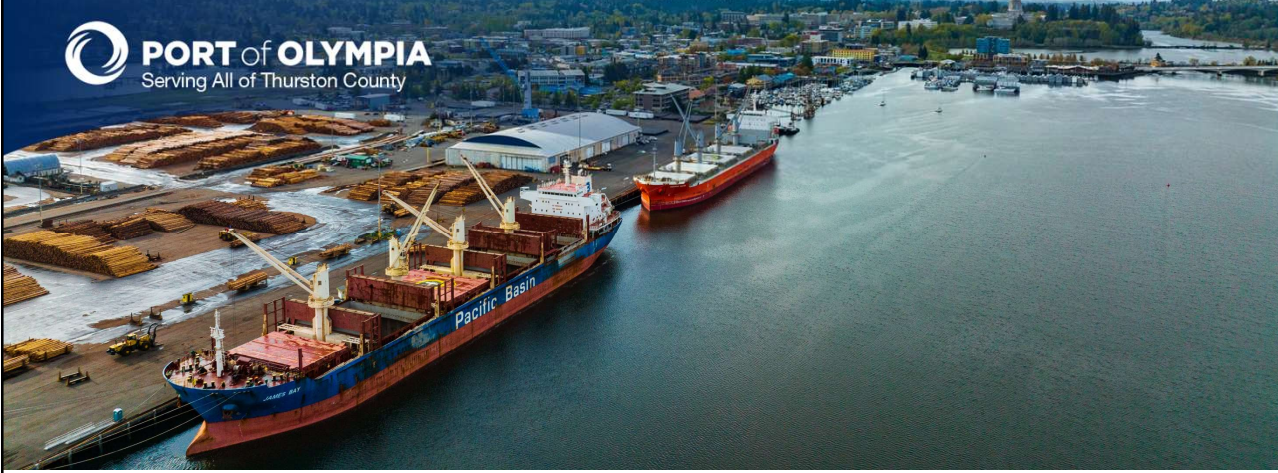
Staff Recommendation:

Approval is recommended for:

1. Surplus of four railcars, and
2. Amendment of the 2024 capital budget to purchase up to four forklifts.

Next Steps/Timeframe:


Staff will present to the Commission for approval via the Consent agenda at the Commission's March 25, 2024, public meeting.




PORT of OLYMPIA
Serving All of Thurston County

Surplus of Port Property: Flat Deck Railcars

Afsin Yilmaz
Marine Terminal Senior Manager
Mar. 11, 2024




1



Today's Presentation

Advisory Item – No Action Required

- Surplus four unneeded flat deck railcars
- A preliminary step to purchase up to four needed boxcar special forklifts



2

History/Current Status

Four 235-Ton 60-Foot Flat Deck Railcars



- 2011 Federal Railroad Administration (FRA) grant funded 100% of the purchase of four flat deck railcars: \$155,127
- Flat deck railcars are rarely used and require extensive maintenance
- Equipment no longer serves Port needs

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Ultimate Objective

Justification: Transactions are Mutually Dependent

- Solve for a critical and immediate need
 - Surplus unneeded limited-use railcar equipment
 - Replace with much needed multifunctional forklift equipment
- Disposal of rail equipment requires compliance with *both* Port and FRA surplus property processes
- Purchase of forklift equipment also requires amendment of 2024 capital budget
 - As a "named" project; funding is offset from surplus railcars

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Timing

Why Now?

- Railcars serve no current or future purpose
- Railcars occupy needed Marine Terminal space
- Purchase of forklifts will permanently eliminate monthly gross rental expense of \$7,884 per month
- Hard to find forklifts are immediately available for purchase

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Port Surplus Process

Relevant Guidance

- Port process governed by:
 - Port Resolution 2024-01
 - RCW 53.08.090
- Commission approval to surplus is required when personal property valuation exceeds \$22,000

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FRA Surplus Process

FRA Grant Obligations

- Surplusing also requires compliance with FRA grant restrictions
- FRA prior approval of surplus is required

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Valuation and Surplus Proposal

Four 235-Ton 60-Foot Flat Deck Railcars

- Current railcars valuation by Port staff after depreciation: \$60,112
 - Market value may potentially be higher
- Since current value exceeds \$22,000, Commission approval required to surplus
- Railcars valuation submitted to FRA on February 28 for review, determination of net grant obligation value, and surplus approval
 - FRA response anticipated before March 11

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Pause

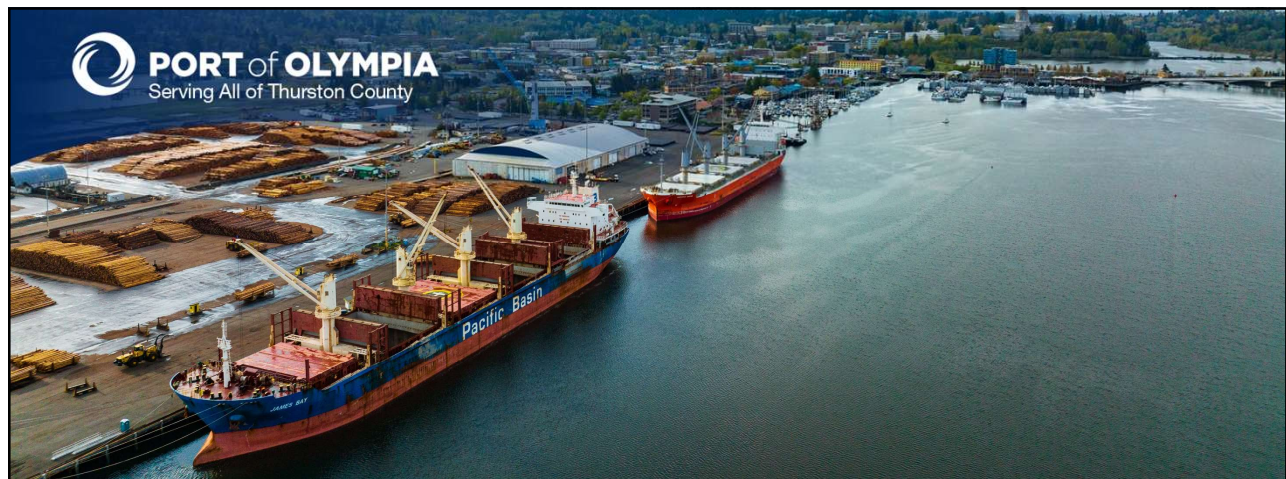
Surplus Property Transaction

Questions and Comments

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Capital Budget Amendment: Forklifts Purchase

Afsin Yilmaz
Marine Terminal Senior Manager
Mar. 11, 2024



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Today's Presentation

Advisory Item – No Action Required

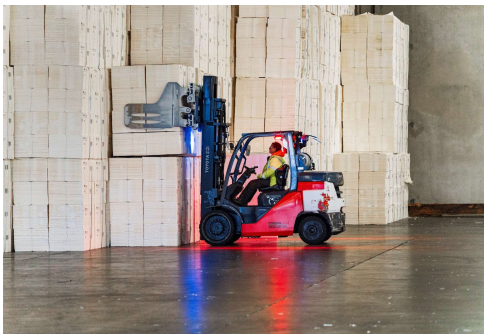
- Approve an amendment to the 2024 capital budget to purchase up to four needed boxcar special forklifts
- Subject to the successful surplus of four unneeded flat deck railcars



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History/Current Status

Boxcar Special Forklifts



- Boxcar special forklifts are indispensable for supporting Suzano bulk paper transloading warehouse operations
- Port has leased four forklifts since November 2023
- Gross monthly rental expense \$7,884

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Forklift Purchase Option

Replaces Surplus Railcars



- Up to four forklifts immediately available for purchase
- Forklift capabilities are superior, permit loading of both tractor trailers and rail boxcars, depending on need
- Estimated cost \$56,666 each, including sales tax

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Capital Budget Proposal

Purchase of Boxcar Special Forklifts

- Amend Marine Terminal capital budget to add a new named project: "Boxcar Special Forklifts" for \$226,664
 - Commission approval required
- No new additional funding is required
 - Proceeds from sale of four railcars will offset cost of forklifts
 - Additional funding available from Capital Contingency Projects

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Capital Budget Proposal (cont'd)

Purchase of Boxcar Special Forklifts

- End result:
 - Capital budget will be sufficient to purchase up to four forklifts
 - No additional Port funds need be added to 2024 capital budget
 - Purchase fully eliminates \$7,884 gross monthly rental expense

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Next Steps

Future Commission Action

- Action items to be brought to Commission for approval
 - Authorize Executive Director to surplus the Port's four flat deck railcars: OLYX60950, OLYX60951, OLYX60955, OLYX60956
 - Amend the 2024 capital budget to add a Boxcar Special Forklifts project at a dollar amount of \$226,664
- Planned for next regular meeting March 25, 2024

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Questions and Comments

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