

**PORT OF SKAGIT COUNTY**

Work Session of the Port Commission

Tuesday, January 6, 2009 9:00 AM

**MINUTES**

PRESENT: Commission - Glenn Allen, Jerry Kaufman and Kevin Ware  
Staff - Patsy Martin, Scott Peterson, Kristin Garcia, Sara Young, Bob Nord, Karmen Hardy, Paul Stannert, Brad Furlong and Debbie Hamilton  
Others - David Goerhing, Walt Meagher

**APPROVAL OF MINUTES**

**COMMISSION ACTION: The commission unanimously approved the minutes of the December 2, 2008 Work Session.**

**Changes or additions to the agenda as follows:**

- 1.) TENANT: BBIP; BCG Northwest, LLC (dba Nordic Tugs); Lots 67 & 68; Rental Agreement Dated 5/1/07 – Struggling Tenant Program.
- 2.) ADMIN: Commission Meeting Schedule (2009) – Discuss possible change.

**Reconstitute the Board**

Patsy Martin reported that it is time to reconstitute the board effective January 1, 2009.

**COMMISSION ACTION: The commission elected the following offices to take effect January 1, 2009:**

**Glenn Allen: President**  
**Kevin Ware: Vice President**  
**Jerry Kaufman: Secretary**

Issue 1: TENANT: BBIP; BCG Northwest, LLC (dba Nordic Tugs); Lots 67 & 68; Rental Agreement Dated 5/1/07 – Struggling Tenant Program

Scott Peterson reported that Nordic Tugs contacted staff with a request to be considered for struggling tenant status under the Port's economic austerity program. David Goerhing of

Nordic Tugs was present and reported that the boating industry has been hit very hard in the current economy. At the start of 2008 they had 170 employees. Presently, they have 105 employees, all of whom are working part time. He anticipates further reductions. Through the assistance of this program, Mr. Goerhing believes Nordic Tugs is well positioned to weather the economic downturn. If they qualify for the Port's struggling tenant program, it will help them keep monthly expenses to a minimum during this difficult time.

The port finance director, Kristin Garcia, completed a financial review of Nordic Tugs records. She reported good internal controls and finance plan. She confirmed revenue and employment levels have decreased.

#### Discussion

The commission discussed options to assist Nordic Tugs and together with port staff suggested the port run a moorage special to go along with the sale of any 26' Nordic Tug at the Seattle Boat Show. A promotion of this nature would facilitate the port's effort to attract new boaters to the La Conner Marina. The commission asked staff to rename the struggling tenant program to the economic austerity program.

#### COMMISSION ACTION:

- 1.) **The commission unanimously authorized a promotion which offers six (6) month's free moorage at the La Conner Marina, to new tenants, who agree to a one (1) year stay, dependent upon space availability, with the sale of a boat manufactured by a port tenant. The promotion will begin January 1, 2009 and run until December 31, 2009 and;**
- 2.) **Authorized staff to develop an amendment to the BCG Northwest, LLC lease in accordance with the Port's Struggling Tenant Program and authorized the commission to execute the amendment.**

#### Issue 2: ADMIN: Business Plan Guiding Criteria (2008)

Patsy Martin reported that staff has been preparing business plans for the Port's Skagit Regional Airport, La Conner Marina and the Bayview Business and Industrial Park. Patsy Martin discussed two (2) draft memos with the commission which outline guiding criteria and values. She requested the commission review the information and staff will bring the criteria and values forward for adoption at the next meeting.

### Issue 3: ADMIN: Economic Downturn (2008) – Update (Oral)

Patsy Martin reported that staff has been approached by several tenants regarding the impact of the economic downturn on their businesses. Since the Port's budget is directly impacted by revenue from tenants, staff is developing a four (4) tier plan to assist the Port in weathering the economic downturn. Staff's goal is to preserve reserves and take measures that will assure the Port remains strong during this economic crisis. Staff requested the commission give direction to staff.

Discussion.

In light of the current economic situation, the commission would like staff to present a revised budget, at the February 17, 2009 commission meeting, demonstrating proposed budget reductions to the 2009 budget.

### Issue 4: ADMIN: Inclement Weather (2008) – Update (Oral)

Scott Peterson reported that during the December snow event port staff and equipment performed exceptionally well. Staff helped Bayview Business Park tenants as well as cleared roads, runways and trouble shooting at the La Conner Marina. The airport was temporarily closed on two occasions due to safety issues.

Paul Stannert reported that the La Conner Marina suffered minimal damage. The South Basin performed well. Many tenants were concerned about damage to their boats and Marina staff was able to address and assist in these situations.

The commission directed staff to look into any established or developed criteria/programs by the FAA which might indicate airport snow clearing standards, such as runways, lights, snow banks.

### Issue 5: ADMIN: Commission Meeting Schedule (2009)

Patsy Martin reported that it may be necessary to adjust the commission meeting dates due to recurring schedule conflicts.

Discussion.

The commission is in agreement and requested staff return to the commission at the January 20, 2009 commission meeting with new meeting dates.

### **RECESS WORK SESSION MEETING**

The regular meeting recessed at 10:04 a.m.

**IDC MEETING**

The commission entered into the annual IDC Board Meeting at 10:05 a.m.

**ADJOURNMENT**

The IDC meeting adjourned at 10:08 a.m.

**RECONVENE WORK SESSION MEETING**

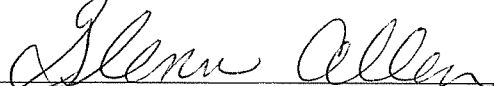
The work session meeting was reconvened at 10:09 a.m.


**ADJOURNMENT**

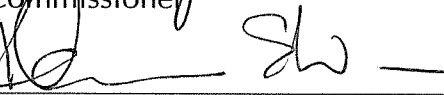
The commission adjourned the work session meeting at 10:10 a.m.

ADOPTED IN OPEN SESSION this 10th day of January 2009 and duly authenticated by the signatures affixed hereto.

**PORT OF SKAGIT COUNTY**

  
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Commissioner

  
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Commissioner

  
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Commissioner