



Port of Skagit

**Regular Meeting of the Port Commission
Tuesday, December 11, 2012 - 3:00 PM**

MINUTES

PRESENT: Commission - Bill Shuler and Steve Omdal.

Staff - Patsy Martin, Scott Peterson, Kristin Garcia, Sara Young, Carl Molesworth, Heather Haslip, Karmen Hardy, Bob Nord, Kristin Troxel, Chris Carlile, Debbie Hamilton and legal counsel Brad Furlong.

Others - See Sign in Sheet

CALL TO ORDER

Bill Shuler called to order the December 11, 2012 regular meeting of the port commission.

Changes or additions to the agenda as follows:

Staff Reports

1. ADMIN: Port of Anacortes – Letter of Request; Industrial Land Inventory – Review Letter
2. ADMIN: Concrete Theatre - Letter of Thanks (2013) - Review Letter

New Business

1. TENANT: BBP; 11966 Westar Lane; Building Improvements – Approve Budget
2. PUG AGEN: Skagit County Interlocal Agreement; Public Works – Approve Agreement
3. ADMIN: Long Term Plan of Finance (2013-2040) – Adopt Resolution

CONSENT AGENDA

Public Communications
November 13, 2012 Regular Meeting Minutes
November 20, 2012 Special Meeting Minutes
Fiscal Report

The commission reviewed the consent agenda items.

COMMISSION ACTION: Commissioner Ware moved to adopt the consent agenda, seconded by Commissioner Omdal. Motion carried unanimously.

OPEN FORUM

Commissioner Shuler opened the floor for public comment.

Hearing none, the floor was closed.

STAFF REPORTS

ADMIN: Cash Flow/Budget to Actual Report; Ending October 31, 2012 - Update

Kristin Garcia reported on the Budget to Actual report ending October 31, 2012.

ADMIN: 2013 NBAA Schedulers & Dispatchers Conference, San Antonio, TX – Information (Oral)

Scott Peterson reported that the Port of Skagit will attend the Northwest Business Aviation Association Schedulers & Dispatchers Conference in San Antonio, Texas. Tim Lewis of Corporate Air Center plans to attend as well. The port plans to have a trade show booth presence with an emphasis on business aviation. The conference is scheduled for January 22 -24, 2013.

ADMIN: 2013 Seattle Boat Show – Information (Oral)

Scott Peterson reported that the Port of Skagit will attend the 2013 Seattle Boat Show. The show is scheduled January 25 – February 3, 2013. The port will once again have a booth at the show. The commission is invited to attend.

ADMIN: Northern State Destination Resort – Feasibility Study (Oral)

Patsy Martin provided a copy of a report on the economic and fiscal benefits of North Cascades Resort, completed by E.D. Hovee & Company, LLC for the Economic Development Association of Skagit County (EDASC). A copy is on file with the December 11, 2012 packet.

AIRPORT: Land Fee Analysis (2012) – Discussion

Sara Young provide a landing fee analysis to the commission. The purpose of the report is to help understand the revenue potential of landing fees at Skagit Regional Airport (SRA). The analysis includes a survey of landing fees charged at comparable airports, including airports such as Hillsborough, Moses Lake, Paine Field, Bellingham, Arlington and Anacortes.

The consensus of staff and the commission is that SRA is not prepared to charge a landing fee based on the number of transient business jet landings currently occurring at SRA annually.

The data provided in this report will provide a good basis to revisit the landing fee projections in the future.

MARINA: Occupancy Report – November 2012 – Update

Patsy Martin introduced Chris Carlile, Marina Office Supervisor, to the commission.

Kristin Garcia provided the Marina Occupancy Report for month ending November 30, 2012.

ADMIN: Concrete Theatre Letter of Thanks (2013) - Review Letter

Patsy Martin reviewed a letter of thanks from the Town of Concrete thanking the commission for funding support through the Targeted Community Partnership Program in support of small upriver communities with economic development projects.

ADMIN: Port of Anacortes – Letter of Request; Industrial Land Inventory – Review Letter

Patsy Martin reviewed a letter requesting the Port of Anacortes' participation toward the development of an updated GIS-based industrial lands inventory for Skagit County. This information is necessary to understand the adequacy of the county's existing jobs-producing land base. This updatable inventory will be utilized by various governmental and economic development organizations in Skagit County.

The port commission is formally requesting the Port of Anacortes participate in terms of staff participation and a financial contribution in the amount of \$7,000.

The commission president will sign a letter requesting the same as above.

NEW BUSINESS

PUB AGEN: Town of La Conner; Art Space Project (2012) – Approve Support

Patsy Martin reported that the Town of La Conner is working on initiatives to encourage economic development within the Town. One of the initiatives it is currently working on is the Art Space Project. The purpose of the project is to encourage artists, such as fine arts, culinary arts and boat building crafts to come to La Conner during various time frames, from one week to permanently, to practice or learn their art skills.

The Town of La Conner intends to apply for an *Our Town* grant program that is offered by the National Endowment for the Arts (NEA) to develop this concept. The Town intends to apply for approximately \$200,000 that must be matched with in-kind and cash contributions.

John Doyle and Tom Beckwith were present to inform the commission about this project and ask for support.

Discussion.

COMMISSION ACTION: Commissioner Ware moved to approve support of the Town of La Conner's application to the National Endowment for the Arts (NEA) *Our Town* grant program by providing a general letter of support.

Commissioner Shuler seconded and motion carried unanimously.

ADMIN: 2012 LTGO; Post Issuance Compliance Policy – Adopt Resolution

Patsy Martin reported that the port is in the process of issuing long-term general obligation bonds, some of which will have tax exempt status. Under federal tax law, the port is required to adopt a policy which addresses the port's intent to comply with contractual commitments with respect to the tax exempt bonds.

Discussion.

Staff recommends the commission adopt a resolution approving a post issuance compliance policy resulting from obligations under federal tax law with respect to the issuance of tax exempt bonds.

COMMISSION ACTION: Commissioner Ware moved that the commission adopt Resolution 12-31 which approves a post issuance compliance policy resulting from obligations under federal tax law with respect to the issuance of tax exempt bonds. Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: 2012 Bonds; Issue Bonds – Adopt Resolution

Kristin Garcia reported that due to historic low interest rates, the port is in the process of issuing long-term general obligation bonds to refund a portion of the port's 2004 LTGO bonds for the purpose of realizing interest rate savings and to issue new bonds for the purpose of acquisition/construction of a building, property acquisition and improvements to the marina facility.

The port's bond counsel, Cynthia Weed from K&L Gates, was present to answer questions pertaining directly to the bond resolution being presented at the meeting.

The amounts included in the bond resolution are maximums to allow for the unknowns of the pricing of the bonds. The port is expecting \$2,080,000 in refunding and \$4,500,000 in new bond dollars.

Discussion.

COMMISSION ACTION: Commissioner Ware moved that the commission adopt Resolution 12-32 which will authorize the issuance and sale of two series of limited tax general obligation and refunding bonds of the port in the principal amount of not to exceed \$5,300,000 and \$2,400,000 respectively, for the purposes of financing property acquisition and capital improvements and refunding certain outstanding bonds; providing for the annual levy of taxes to pay the principal of and interest on said bonds; providing for ongoing disclosure; authorizing the appointment of an escrow agent and execution of an escrow agreement; and delegating certain authority to the executive director and the director of finance. Commission Omdal seconded. Motion carried unanimously.

BREAK 4:26 p.m.

RECONVENE MEETING 4:35 p.m.

ADMIN: Long Term Plan of Finance (2013-2040) – Adopt Resolution

Kristin Garcia reported that the commission adopted its first long-term plan of finance December 20, 2011. The intent of the plan was to provide a framework for the port's long-term financial sustainability. Annually, the plan will be updated to reflect change in priorities, to evaluate new opportunities and to ensure fiscal policies are being maintained.

Staff prepared the 2013-2040 Long Term Plan of Finance for commission review.

Discussion regarding the storm pipe replacement project.

COMMISSION ACTION: Commissioner Ware moved that the commission adopt Resolution 12-33 which approves the Updated Long Term Plan of Finance effective December 11, 2012 and directed staff to confirm the cost associated with the storm pipe replacement project and update the Long Term Plan of Finance accordingly.

Commissioner Omdal seconded. Motion carried unanimously.

TENANT: Malting Facility Roof Leak – Approve Budget

Scott Peterson reported that in August of 2012 the port contracted with HB Hansen Construction to construct the building improvements to the building located at 11966 Westar Lane. This project transforms an aging facility into a premier facility with new water supply, new interior walls, new doors and entry, upgraded sewer supply and electrical upgrades.

Staff is concerned with the condition of the roof; leaks continue to be problematic through the warehouse facility.

Staff has been working with the tenant and architect Peter Carletti. There is concern about potential damage to the interior improvements and staff has been advised to replace the roof.

Discussion.

COMMISSION ACTION: Commissioner Ware moved that the commission approve \$85,000 budget increase for the installation of a new roof system for the building located at 11966 Westar Lane. Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: December Meeting; Election, Committee Assignments – Approve Assignments

Patsy Martin reported that it is time to determine committee assignments for 2013. Resolution Number ___ - ___ establishing the port’s governance policy sets forth Kevin Ware, President, Steven Omdal, Vice President and Bill Shuler Secretary.

Committee assignments are as follows:

Committees

EDASC Board
RTPO
SCOG
SCOG Revolving Loan Fund
WPPA Trustee

PNWA

Port Representatives

Patsy Martin
Kevin Ware
Kevin Ware
(Anacortes 2013-2015)
Bill Shuler
Alternate – Patsy Martin
Patsy Martin

Other Organizations

Port Representatives

Mount Vernon Chamber	Kristin Garcia
Burlington Chamber of Commerce	Carl Molesworth
La Conner Chamber of Commerce	Carl Molesworth
Sedro Woolley Chamber of Commerce	Bill Shuler
Concrete Chamber of Commerce	Bill Shuler
Washington Finance Officers Assoc.	Kristin Garcia
Pacific Coast Congress of Harbormasters and Port Managers	Chris Carlile
Society of Wetland Scientists	Sara Young
Washington Airport Managers Assoc.	Bob Nord, Sara Young
Washington Community Airport Assoc.	Bob Nord
SASA	Kevin Ware, Sara Young
WPPA Committees	
Aviation	Sara Young, Kevin Ware
Environmental	Patsy Martin
Finance	Kristin Garcia
Legislative	No one assigned
Marina	Chris Carlile
Trade & Economic Development	No one assigned
Padilla Bay	Carl Molesworth
Skagit Valley Tulip Festival	Kristin Garcia
Burlington Rotary	Patsy Martin
Rotary International	Patsy Martin
Skagit Valley Farm Tour	Patsy Martin
Planning Association	Sara Young
Dept. of General Administration – Co-Op Membership	Scott Peterson
La Conner Smelt Derby	Carl Molesworth
Board of Accountancy	Kristin Garcia
La Conner Classic Yacht & Car Show	Carl Molesworth
Northwest Marine Trade Association	Chris Carlile
Western Washington Agricultural Association	Patsy Martin
Other	N/A

COMMISSION ACTION: Commissioner Ware moved that the commission determine the committee assignments for January 1, 2013 – December 31, 2013. Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: Designation of Agents to Receive Claims for Damages and Secretaries for Service of Process (2012) – Adopt Resolution

Patsy Martin reported local government entities are required to appoint an agent to receive any claim for damages made under RCW 4.96, which are those claims relating to tortious conduct of local government employees. This appointment must be filed with the local auditor's office.

Designating port staff authorized to accept, on behalf of the port, claims delivered pursuant to RCW 4.96, and designating those same staff as 'secretaries' authorized to receive personal service of any summons served pursuant to RCW 4.28.080 (9), will clarify for the public and port staff who should be served with claims.

COMMISSION ACTION: Commissioner Ware moved that the commission adopt Resolution 12-34 which designates agents for acceptance of delivery of claims and secretaries for service of process. Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: Executive Director Authority (2013) – Adopt Resolution

Patsy Martin reported that the commission annually designates the executive director's authority to address the needs of the port. The commission has reviewed and staff has prepared a resolution.

Discussion.

COMMISSION ACTION: Commissioner Ware moved to adopt Resolution 12-35 which generally sets forth the authority delegated to the executive director and staff. Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: Personnel Policy; Restated and Revised (1998-current) – Adopt Resolution

Patsy Martin reported the port commission has adopted a personnel policy to govern management of personnel at the Port of Skagit. The port commission has deemed from time to time to update the policy to stay current with regulations and appropriate policies. The changes were presented.

COMMISSION ACTION: Commissioner Ware moved to adopt Resolution 12-36 which updates the Port of Skagit Personnel Policy.

Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: Rate Review; BBP (2013) – Adopt Resolution

Scott Peterson reported that staff evaluates market values of all port-owned buildings to determine a range of lease rates for each marketable building. Actual leases will be negotiated based on length of term, capital investment, number of jobs, types of jobs (living wage), as well as any substantial development.

Based on research, staff recommends a monthly range of .46 cents to .65 cents per square foot for all Port owned buildings. In addition, staff will factor the market rate for office space into a blended rate for the facility.

Discussion.

COMMISSION ACTION: Commissioner Omdal moved to approve the ranges for 2013 Bayview Business Park rates.

Commissioner Ware seconded. Motion carried unanimously.

AIRPORT: Fuel Storage Policy (2012) – Adopt Resolution

Sara Young reported that staff has prepared a policy to include in the Airport Rules and Regulations which is intended to (1) clarify that the Port's fuel pads can be leased by non-commercial entities for self-fueling purposes, and (2) establish standards for all fueling operations, including both commercial and non-commercial.

COMMISSION ACTION: Commissioner Omdal moved to adopt Resolution 12-37 which establishes a policy regarding aviation fuel storage at Skagit Regional Airport.

Commissioner Ware seconded. Motion carried unanimously.

AIRPORT: R/W 10-28 Rehabilitation Project; Longitudinal Gradient Adjustment and Crown Conversion (2012); Impacts to Business – Approve Reduction

Scott Peterson reported that staff met with partners Melissa Quast and Jake Jacobsen of the Kitty Hawk Café. They expressed the financial impact to their business during construction of the Runway 10-28 Crown Conversion and Longitudinal Gradient Adjustment Project. Consistent with the commission authorized temporary fee reductions for other commercial businesses affected by the project staff believes it would be appropriate to extend a temporary rent reduction to the restaurant.

COMMISSION ACTION: Commissioner Omdal moved to approve a temporary rent reduction to the Kitty Hawk Café affected by the closing of Runway 10-28 during construction of the Crown Conversion and Longitudinal Gradient Adjustment Project for months of July, August and September 2012.

Commission Ware seconded. Motion carried unanimously.

PUB AGEN: Skagit County Interlocal Agreement; Public Works – Approve Agreement

Sara Young reported that the port has contracted with Skagit County Public Works for work including catch basin vactoring, pavement striping, and road shoulder grading. This work is completed under a 5-year interlocal agreement for services, which will expire on December 31, 2012. The interlocal agreement provides for this work to be completed at cost plus 9% overhead.

Staff has prepared a renewal of this agreement for a period of five years, from January 1, 2013 to December 31, 2017. The terms of the interlocal remain the same.

COMMISSION ACTION: Commissioner Omdal moved to approve an interlocal agreement with Skagit County Public Works for work including catch basin vactoring, pavement striping, and road shoulder grading.

Commission Ware seconded. Motion carried unanimously.

RECESSED REGULAR MEETING

5:17 p.m.

PORT OF SKAGIT INDUSTRIAL DEVELOPMENT CORPORATION ANNUAL MEETING

The commission entered into the Port of Skagit Industrial Development Corporation annual meeting at 5:18 p.m.

The commission closed the IDC meeting at 5:21 p.m.

The commission resumed the regular meeting at 5:22 p.m.

ADJOURNMENT

With no other business to consider, Commissioner Shuler adjourned at 5:23 p.m.

ADOPTED IN OPEN SESSION this 8th day of January, 2013 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

Commissioner

Commissioner

Commissioner