



# Port of Skagit

Regular Meeting of the Port Commission  
Tuesday, June 11, 2013 - 3:00 PM

## MINUTES

PRESENT: Commission - Kevin Ware, Steve Omdal and Bill Shuler

Staff - Patsy Martin, Scott Peterson, Sara Young, Kristin Garcia, Carl Molesworth, Heather Haslip, Debbie Hamilton, and legal counsel Brad Furlong.

Others - See Sign-In Sheet

## CALL TO ORDER

Kevin Ware called to order the June 11, 2013 regular meeting of the port commission.

## Changes or additions to the agenda as follows:

1.) ASSOC: Association of Pacific Ports; Membership (2013) – Approve Membership

## CONSENT AGENDA

Public Communications  
May 21, 2013 Regular Meeting Minutes  
Fiscal Report  
ADMIN: Targeted Community Partnership Program, Mount Vernon Chamber of Commerce;  
Lincoln Theatre (2013) – Approve Grant

The commission reviewed the consent agenda items.

**COMMISSION ACTION: The commission unanimously approved the June 11, 2013 consent agenda.**

## OPEN FORUM

Commissioner Ware opened the floor for public comment.

Hearing none, the floor was closed.

## **STAFF REPORTS**

### **ADMIN: 2012 Financial Statements; Audit Status - Update**

Kristin Garcia reported that the 2012 financial statements are complete and have been submitted to the State Auditor's Office in accordance with RCW 43.09.200. She provided a copy of the statements to the commission for review. The annual audit begins July 10.

### **MARINA: Occupancy Report; Month Ending May (2013)**

Kristin Garcia reported on the monthly occupancy for May 2013.

### **AIRPORT: Airport Operations Study Report; May Results (2013) (Oral)**

Sara Young reported she will provide an updated report showing June results at the July 9 commission meeting.

## **NEW BUSINESS**

### **ASSOC: Association of Pacific Ports Membership – Approve Membership**

Patsy Martin reported that the Association of Pacific Ports is a trade and information association founded in 1913 as the Association of Pacific and Far East Ports, for the purpose of promoting increased efficiency and effectiveness of the ports of the Pacific.

She believes it will be beneficial for the Port of Skagit to be a member.

**COMMISSION ACTION: The commission unanimously approved an annual membership with the Association of Pacific Ports.**

### **ADMIN: Economic Opportunity Growth; Affordable Housing – Approve Letter of Support**

Patsy Martin reported that she recently met with Paul Schissler, community development planner. He and his board are asking the port for a letter of support for their Affordable Housing Strategy. Patsy provided a copy of their 12 recommendations for review.

Staff recommends the port provide a letter of support for the Skagit County Community Services Department's Affordable Housing Strategy.

Paul Schissler and Margaret Fleek were present to discuss and answer any questions for the commission.

**COMMISSION ACTION: Commissioner Shuler moved to approve providing a letter of support for the Skagit County Community Services Department's Affordable housing Strategy. Commissioner Omdal seconded. Motion carried unanimously.**

**ADMIN: Economic Opportunity Growth; Innovation Partnership Zone; IPZ – Approve Zone (2013)**

Patsy Martin reported that the State of Washington has encouraged and supported innovation partnership zones (IPOS) throughout the state for the last several years. Port staff is actively working on an innovation partnership zone which will be focused on merging the agriculture and high tech sectors.

Partners to this endeavor include: WSU Research, Dr. Steve Jones; City of Mount Vernon, Jana Hanson; Skagit Valley College, Dr. Tom Keegan; EDASC, Don Wick; Northwest Agriculture Business Center, David Bauermeister; Skagit County, Tim Holloran, Skagit Valley Malting, LLC, Wayne Carpenter and Port of Skagit, Patsy Martin.

The partnership has agreed to seek up to \$3,000 to \$5,000 from each partner to gather \$18,000 to complete the IPZ application and business plan and submit the application prior to the deadline in July.

**COMMISSION ACTION: Commissioner Shuler moved to support the Innovation Partnership Zone in three ways:**

- 1. Prepare the Interlocal Agreement between the parties;**
- 2. Support and actively participate on the Innovation Partnership zone steering committee; and**
- 3. Contribute up to \$5,000 to develop the grant application and business plan for the zone.**

**Commissioner Omdal seconded. Motion carried.**

**MARINA: Fuel Dock RFP (2013) – Approve RFP**

Patsy Martin reported operation of the Port-owned marine fuel facility at the Marina is outsourced to a lessee who is also responsible for the maintenance of the facility. The current operator's lease will expire March 2014.

Port staff has developed an RFP to competitively select a fuel facility Lessee/Operator so as to ensure the optimization of:

- Customer service for fuel facility patrons
- Fuel prices for boaters
- Port revenues
- Premier destination for boaters seeking fuel service

Discussion of language to be included regarding hours of operation. The commission advised staff of the changes.

**COMMISSION ACTION: Commissioner Shuler moved to authorize staff to issue a Request for Proposal for proprietors to operate the La Conner Marina Fuel Facility. Commissioner Omdal seconded. Motion carried.**

**TENANT: BBP; BCG Northwest, LLC dba Nordic Tugs; Lots 67 and 68; Lease dated 5/1/07 – Approve Amendment**

Scott Peterson reported That BCG Northwest, LLC entered into the port austerity program in February 2009. In 2010 the port received another request to remain in the second year of the program until February 2013.

After an analysis of the pros and cons of extending the austerity program, a long term solution for keeping Nordic Tugs and their employees at the business park has been agreed to.

The port will extend the current rent schedule for the next 3 year period; however, it will file a UCC financing statement on the improvements owned by BCG (lamination building) located at 15111 Steele Road to secure the amount of the restated lease payments.

**COMMISSION ACTION: Commissioner Shuler moved the commission approve and execute a Third Amendment to Lease Agreement between the Port of Skagit and BCG Northwest, LLC.**

**TENANT: International Aero, Inc.; Lease dated 4/20/93 – Approve Assignment**

Scott Peterson reported that the Port of Skagit and David M. Addie and Jerry Welch entered into a 50 year lease agreement on April 20, 1993. Subsequently, there have been 3 amendments to the lease. As a result of the foregoing lease amendments, David Addie was the sole “Lessee” under the lease and sublet the entire premises to International Aero Interiors, LLC. In 2009, International Aero Interiors, LLC changed its name to Volant. In 2011, Mr. Addie passed away and it is now the desire of his daughter, Nicola K. LeSourd, to enter into a lease agreement

directly with the port.

Discussion

**COMMISSION ACTION:** Commissioner Omdal moved to approve the Assignment of Lease and Consent Thereto from Nicola K. LeSourd fka Nicola K. Lewis, personal representative for the estate of David Michael Addie, deceased to Nicola K. LeSourd; and authorize the executive director to execute the Assignment of Lease and Consent Thereto. Commissioner Shuler seconded. Motion carried.

**GOOD OF THE ORDER**

**BREAK 4:13 p.m.**

**END OF BREAK 4:19 PM.**

**EXECUTIVE SESSION**

The commission entered into executive session at 4:20 p.m. The session is expected to last approximately 40 minutes to discuss the possible sale, purchase or lease of property the public discussion of which could affect the price. There may or may not be commission action.

The executive session ended at 5:03 p.m.

**ADJOURNMENT**

ADOPTED IN OPEN SESSION this 11th day of June, 2013 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