

PORT OF SKAGIT COUNTY

Regular meeting of the Port Commission

Tuesday, February 19, 2008 5:00 PM

MINUTES

PRESENT: Commission - Glenn Allen, Jerry Kaufman and Kevin Ware
Staff - Patsy Martin, Scott Peterson, Kristin Garcia, Sara Young, Karmen Hardy, Paul Stannert, Bob Nord, Mary Jo Newbury, Colleen Powell, Debbie Hamilton and Brad Furlong
Others - See Attached

Changes or additions to the agenda as follows:

1. ADMIN: Bald Eagle Festival (2008) – Event Report
2. MARINA: Abandoned Boats (2008) – Adopt Resolution
3. Executive Session to discuss the possible sale, purchase or lease of property the public discussion of which could affect the price and potential litigation. Executive session will last approximately 45 minutes. Action may or may not be taken.

Public Communications

Published articles noted by commission.

Approval of Minutes

COMMISSION ACTION: The commission unanimously approved the minutes of the January 15, 2008 regular commission meeting.

Processing of Fiscal Matters

COMMISSION ACTION: The commission unanimously approved all warrants and vouchers as presented.

ADMIN: Bald Eagle Festival (2008) – Event Report

Patsy Martin reported that representatives from the Upper Skagit Bald Eagle Festival are present to give the commission a report of the Bald Eagle Festival held in February 2008.

Judy Hemenway was present to thank the commission for their support of the Upper Skagit Bald Eagle Festival and to recap the event and its economic benefit to the upriver communities. They presented the commission with a framed 2008 Upper Skagit Bald Eagle Festival poster.

They discussed the television commercial that ran one week prior to the festival. It was the goal of the committee to reach both the Seattle and Bellingham area. Attendance was down because of snow.

The promotional reel was not expected to be complete until March 2008 and, therefore, were requesting additional time to complete this project.

The commission emphasized that sponsorship requests need to indicate how the event supports economic development. The eagle festival representatives stated that they will be able to produce statistics that meet this requirement.

COMMISSION ACTION: The commission unanimously amended the October 15, 2007 Interlocal Agreement between the port and Skagit River Bald Eagle Awareness Team (SRBEAT) to reflect that the SRBEAT will conclude the balance of its 2007 project no later than April 30, 2008 and any project expenditures will be submitted no later than April 30, 2008.

PUB AGEN: Northwest Agriculture Business Center (2008)

Patsy Martin introduced David Bauermeister, executive director for Northwest Agriculture Business Center (NABC).

Mr. Bauermeister reported to the commission on the center's endeavors to represent farmers from Island, San Juan, Skagit, Snohomish and Whatcom counties with the intent of helping the farmers shift toward making high-value products and connecting them with prospective buyers.

Discussion.

The commission believes that agriculture is important to this community and looks forward to future updates from NABC.

ADMIN: Communications Plan (2008) - Oral

Patsy Martin reported that staff has been developing a communication plan to bring before the commission. Staff plans to bring a final draft of the plan before the commission at the March 11, 2008 regular meeting.

Patsy also wanted to discuss another component to the overall port communication plan. Staff heard from the commission at the January 8, 2008 Airport Roundtable Meeting that the commission is interested in addressing overall port communications from a broader perspective. That perspective is how the voters in the port district view and feel about the port and its activities overall. To understand that perspective staff recommends the port develop a branding strategy which will help us to understand and influence that perspective. Staff met with Duane Knapp of

BrandStrategy, Inc. who develops branding strategies. During the process of branding development the commission and staff would:

1. Assess the community
2. Determine what the port wants the community to think/feel about the port
3. Develop "tools"
4. Brand Culturization – training to deliver our message

This process would take 9-12 months.

Staff is seeking direction from the commission whether to pursue a branding strategy program for the port.

Discussion.

The commission would like staff to proceed in gathering information on the branding strategy process.

ADMIN: Fiber Optics (2007) - Oral

Patsy Martin reported that she participated in the Skagit County Economic Development Public Facilities Distressed/Rural County Sales & Use Tax Committee's review of applications for .09 grant monies. The committee recommended that the Port of Skagit County's grant application be approved for funding of the fiber optic networking project in the amount of \$300,000. The approval for funding is dependent upon approval by the Skagit County Commissioners. She also described the conduit route to the commission. It is hoped the project will be complete by summer 2008.

ADMIN: Marina; Blanket Resolution; Abandoned Boats - Oral

Patsy Martin reported that legal counsel investigated the port's ability to proceed with a blanket resolution authorizing the sale of any abandoned vessel at the La Conner Marina in 2008. After researching the matter, Brad Furlong has determined that the commission must pass a separate resolution authorizing the sale of each vessel.

ADMIN: Bonds; LTGO 2008 – Issuance of Bonds

Patsy Martin reported that at the July 17, 2007 and August 21, 2007 meetings staff discussed with the commission the commission's direction to proceed with the construction of buildings at the La Conner Marina, Bayview Business and Industrial Park, and Skagit Regional Airport.

Staff presented an analysis of each of the projects separately.

Staff recommended the commission authorize staff to proceed with issuance of bonds at the next scheduled commission meeting and proceed with the bidding of the peninsula building at the La Conner Marina, an industrial building to be located on Lots 37-40 of the Amended Skagit Regional Airport Binding Site Plan, Phase I, at the Bayview Business and Industrial Park and two t-hangar buildings to be located on Lots 19 and 20 of the Skagit Regional Airport Binding Site Plan, Phase 2, Division 2.

COMMISSION ACTION: The commission authorized staff to proceed with issuance of bonds at the next scheduled commission meeting and proceed with the bidding of the peninsula building at the La Conner Marina, an industrial building to be located on Lots 37-40 of the Amended Skagit Regional Airport Binding Site Plan, Phase I, at the Bayview Business and Industrial Park and two t-hangar buildings to be located on Lots 19 and 20 of the Skagit Regional Airport Binding Site Plan, Phase 2, Division 2.

AIRPORT: Taxiway F Soils Investigation; Clean Up Action Plan – Approve Plan

Sara Young reported that the port’s consultant, Hart Crowser, completed a draft cleanup action plan for the project in August 2007. The plan calls for remediation of soils in the hangar facility area and within the wetland channel extending southeast from the facility area. Soils with pesticides levels exceeding Model Toxics Control Act (MTCA) cleanup levels will be excavated and disposed of in an appropriate landfill and clean import fill will be replaced at the site. Wetland areas impacted by the cleanup will be restored with tree and shrub plantings following remediation.

As currently proposed, the wetland cleanup area is limited to those areas where pesticide concentrations are highest. Areas beyond this defined cleanup area were not included in the original cleanup plan for two reasons:

- (1) It was determined that impacts to the wetland would outweigh the value of further excavation to remove very low level pesticide concentrations; and
- (2) Pesticide concentrations become very diffuse and irregular in the southern portion of the wetland, making it difficult to establish a definitive cleanup boundary.

The draft cleanup action plan was submitted to the Department of Ecology in September 2007 for review and comment. Since that time, port staff and consultants have met with Ecology’s site manager, Mark Adams, and have been working with Mr. Adams to obtain a preliminary opinion of the cleanup action plan before proceeding with the project. Following the cleanup work, the port will request a final opinion letter from Ecology, which presumably will be the same as the preliminary opinion, assuming no significant changes in the cleanup plan.

Based on Mr. Adams’ review, Hart Crowser prepared an updated cost estimate comparing the original limited cleanup proposal with the cost of an expanded cleanup in the wetland area:

	Limited Cleanup Alternative	Expanded Cleanup Alternative
Estimated volume of removal	1,006 CY	2,606 CY
Total area of excavation	0.8 acre	1.8 acre
Wetland impact area	0.1 acre	1.1 acre
Estimated Cost	\$446,239	\$998,561 - \$1,505,625

In the table above, expanded cleanup costs are presented in a range based on the classification of the soil once it is excavated. Soils with sufficient pesticide concentrations to be classified as “dangerous waste” are more costly to dispose of. The lower cost represents a conservative cost estimate based on the expected volume of soil that will require dangerous waste disposal. The

higher number represents the likely worse-case scenario based on the maximum volume of soil that may require dangerous waste disposal. The consultant has reviewed existing sampling data and expects that the assumptions used in deriving the lower estimate are adequately conservative.

Staff reported, in general, more uncertainty exists in the cost estimate of the expanded cleanup due to the irregular pattern of contamination in the lower wetland area. The boundary of the cleanup will be determined by soil testing in the field as the site excavation is conducted and may increase once the cleanup begins and edge testing is conducted.

If the port pursues a full cleanup and receives a No Further Action Determination from Ecology, the project would be eligible for grant funding up to \$200,000 from Ecology to help pay for the work. This funding would be retroactive and would be reimbursed to the port after the cleanup is complete and Ecology has issued the final No Further Action opinion letter.

Based on the position that Ecology has taken regarding the partial cleanup proposal, it is the opinion of port staff that the expanded cleanup alternative is the only viable cleanup proposal that achieves the port's goal of obtaining a No Further Action Determination in the facility area.

COMMISSION ACTION: The commission unanimously approved the expanded cleanup alternative for remediation of the former Skagit Farmers Supply site adjacent to Taxiway F.

MARINA: Abandoned Boats, Sale of Abandoned Vessel – Adopt Resolution

Patsy Martin reported that the vessel described as a 1974 25' Carver, registration number WN 2351 JS, has been secured for greater than 90 days for delinquent payment of port charges. The owner has been notified as required by Section 6 of the La Conner Marina Rules and Regulations. The vessel has not been released to its owners as the account has not been brought current as of February 19, 2008 nor have arrangements been made for the removal of the vessel from the moorage facility.

Staff recommended the commission adopt Resolution No. 08-04 authorizing the sale of an abandoned vessel, described as a 25' Carver, registration number WN2351JS.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-04 authorizing the sale of abandoned vessel, described as a 25' Carver, registration number WN2351JS.

RECESS REGULAR MEETING

The regular meeting recessed at 6:09 p.m.

RECONVENED REGULAR MEETING

The regular meeting reconvened at 6:16 p.m.

COMMISSION ACTION: The commission unanimously amended the March 11, 2008 Agenda to consider approval of a restated lease for Lots 4,7,8,9 & 10 of Lot 80 with Bayview Executive Hangars, LLC, beginning March 1, 2008 and ending July 31, 2033.

Commissioner Ware disclosed that his wife Kari Ware has an interest in Meadow Mill Holdings, LLC and recused himself from any discussion.

Discussion

COMMISSION ACTION: A motion was made by Commissioner Allen, seconded by Commissioner Kaufman which authorized staff to enter into a restated lease, for Lots 4,7,8,9 & 10 of Lot 80 with Bayview Executive Hangars and authorized staff to enter into a lease for Lot 1 of Lot 80 with Meadow Mill Holdings, LLC. Motion passed by a unanimous vote by Commissioner Allen and Kaufman. Commissioner Ware left the room during the vote.

EXECUTIVE SESSION

The commission entered into executive session at 6:20 p.m. The commission expects to return from executive session by 7:05 p.m. Approximately 45 minutes. Brad Furlong, port attorney was present.

The executive session ended at 6:49 p.m.

RECONVENE REGULAR MEETING


The regular meeting was reconvened at 6:50 p.m.

ADJOURNMENT

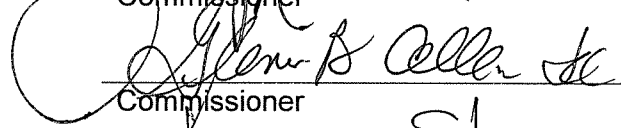
The commission adjourned the regular meeting at 6:51 p.m.

ADOPTED IN OPEN SESSION this 11th day of March, 2008 and duly authenticated by the signatures affixed hereto.


PORT OF SKAGIT COUNTY



Commissioner



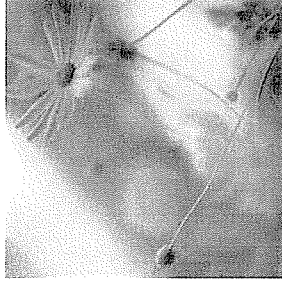
Commissioner



Commissioner



**Port of Skagit County
Commissioner Regular Meeting
Date: February 19, 2008, 5:00 PM**



Name/Organization/Company	Address	Phone Number	Do you wish to speak? Topic?
Sudny Hemenway Skagit River Bald Eagle Awareness Team	P.O. Box 572	855-7283	Y/N Presenter
David Baumgarten Northwest Ag Business Center	P.O. Box 2924 Mount Vernon 98273	336-3727	Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N