

PORT OF SKAGIT COUNTY

Work Session of the Port Commission

Tuesday, April 1, 2008 9:00 AM

MINUTES

PRESENT: Commission - Glenn Allen, Jerry Kaufman and Kevin Ware
Staff - Scott Peterson, Kristin Garcia, Karmen Hardy,
Paul Stannert, and Bob Nord
Others - See attached

Commissioner Allen was acting President until Commissioner Kaufman's arrival at the meeting.

APPROVAL OF MINUTES

COMMISSION ACTION: The commission unanimously approved the minutes of the February 5, 2008 work session.

Changes or additions to the agenda as follows:

1. Admin: Leasing Policy – restaurant.
2. Tenant: Airport: Chuckanut Building LLC (Hubner/Carpenter) 2003 – approve lease.
3. Delete Issue 6: Marina: Abandoned Boats, Sale of Abandoned Vessel 27' Bayliner – adopt resolution.

Issue 1: MARINA: Use Permits; La Conner Chamber of Commerce Cadillac Car Show (2008)

Paul Stannert reported that the La Conner Chamber of Commerce has requested the use of the south basin pay parking lot to stage a Cadillac Car Show on Saturday, July 12, 2008. The use of the grassy area located to the south and west of the south basin restroom & laundry facility for a beer garden and bandstand is included in the request.

Mr. Jerry Willins was introduced and reported the event is under the auspices of the La Conner Chamber of Commerce with all proceeds of the event benefiting the chamber. Mr. Willins also reported they have secured a title sponsor, Valley Cadillac.

The inaugural event will begin at noon and end at 10 pm. There was discussion regarding clean-up after 10 p.m. (including bathrooms, parking lot, and garbage) and the need for the facilities to be in the same condition they were found. Mr. Willins reported a volunteer group will police the beer garden and if necessary, hire a sweeper to clean the lot. The harbormaster will provide Mr. Willins with a letter of the port's expectations regarding clean-up.

Mr. Willins understands they need to provide a hold harmless agreement and insurance.

Issue 2: MARINA: Use Permits; La Conner Yacht Sales Boat Show and Public Yard Sale (2000-Current)

Paul Stannert reported that La Conner Yacht Sales has requested the use of the south basin pay parking lot, the grassy area located to the south and west of the south basin laundry room, and F Dock to conduct their annual boat show and public yard sale at the La Conner Marina. The event will be held on Father's Day weekend (June 13 -15, 2008). The port has hosted this event since 1997.

Mr. Art Kaplan was introduced and reported that all proceeds from the event will be dedicated to Skagit Bay Search & Rescue. Skagit Bay Search & Rescue is a non-profit organization that supports port operations and provides assistance to area boaters in emergency situations through the Skagit County Sheriff's Department.

Paul Stannert requested the commission consider the possibility of not charging La Conner Yacht Sales for the use of F Dock during the event. However, if La Conner Yachts Sales collects any fees for the use of F Dock, said proceeds would go to Skagit Bay Search & Rescue. The commission authorized the proceeds from any fees collected by La Conner Yacht Sales for the use of F Dock be donated to Skagit Bay Search & Rescue in return for the publicity and general public benefit to the port.

Issue 3: MARINA: Use Permits; Swinomish Yacht Club; Opening Day Boat Parade (2008)

Paul Stannert reported that the Swinomish Yacht Club has requested the use of F Dock for April 25 and 26, 2008 to stage their annual Opening Day Boat Parade. The event will be held on Saturday, April 26, 2008. The port has traditionally hosted this event and the yacht club's Christmas Boat Parade.

Mr. Mark Jacobsen, Vice Commodore of the Swinomish Yacht Club, also requested use for the Christmas Boat Parade on December 13, 2008.

After discussion, the commissioners gave permission for the use of F Dock for the events on April 25 and 26, 2008 and December 13, 2008. Mr. Jacobsen reported the port will be recognized in its newsletter, website and at the event.

Issue 4: AIRPORT: Airport; Beacon Relocation Project (2008) – Adopt Resolution

Bob Nord reported that the Washington State Department of Transportation (WSDOT) Aviation Division is currently accepting applications from airport sponsors for a new round of Local Airport Aid grants during the 2007-2009 biennium. WSDOT anticipates that as much as \$1 million will be available statewide for eligible airport projects.

Staff is preparing a grant application. A requirement of the grant is that the port commits 50% in the amount of \$29,000 as matching funds for the airport beacon relocation project at Skagit Regional Airport.

Discussion

COMMISSION ACTION: The commission unanimously adopted Resolution 08-08 which authorizes application to the Washington State Department of Transportation Aviation Division for grant funding and commits 50% in the amount of \$29,000 as match for the beacon relocation project at Skagit Regional Airport and authorized staff to take any necessary steps to carry out the intent of this action.

Issue 5: AIRPORT: Taxiway A; Maintenance Crack Sealing Project (2008) – Adopt Resolution

Bob Nord reported that the Washington State Department of Transportation (WSDOT) Aviation Division is currently accepting applications from airport sponsors for a new round of Local Airport Aid grants during the 2007-2009 biennium. WSDOT anticipates that as much as \$1 million will be available statewide for eligible airport projects.

Staff is preparing a grant application. A requirement of the grant is that the port commits 50% in the amount of \$22,000 as matching funds for the maintenance crack sealing project on Taxiway A.

Discussion

COMMISSION ACTION: The commission unanimously adopted Resolution 08-09 which authorizes application to the Washington State Department of Transportation Aviation Division for grant funding and commits 50% in the amount of \$22,000 as match for the crack seal project on Taxiway A at Skagit Regional Airport and authorized staff to take any necessary steps to carry out the intent of this action.

Issue 6: AIRPORT: Historic Property Identification and Evaluation; Consultant Services Contract; Equinox Research and Consulting International

Kristin Garcia reported that staff is requesting the commission approve a consultant services contract with Equinox Research and International for a historic property identification and evaluation in the port's northwest quadrant and in divisions 5 and 7. The purpose of the evaluation is to prepare port properties for future development. The Federal Aviation Administration requires the evaluation on any properties that may be funded with federal dollars. Staff feels this evaluation is appropriate and necessary as the port moves toward implementing projects identified in our long term capital facilities plan.

COMMISSION ACTION: The commission approved a consultant services contract with Equinox Research and Consulting International in the amount of \$14,752.20 and authorized staff to take any necessary steps to carry out the intent of this action.

Issue 7: ADMIN: Employee Recognition Policy

Kristin Garcia reported that RCW 41.60.150 gives authority to state agencies to recognize employees for accomplishments which may include outstanding achievements, safety performance, longevity, or outstanding public service. As a governmental agency, staff feels it is reasonable to follow state guidelines in the implementation of a recognition policy.

Currently, the port does not have a recognition policy other than awarding employees for each 5 years of service. Staff believes there would be a positive impact on employee morale to implement a policy which recognizes employees more frequently than every 5 years. The port employs highly qualified individuals and staff feels it is important to recognize individuals for their outstanding service. Recognition, other than length of service, would occur once every year. The reward for recognition is one paid day of leave to be used in the calendar year in which it was earned.

COMMISSION ACTION: The commission unanimously adopted the employee recognition policy effective April 1, 2008 and authorized staff to take any necessary steps to carry out the intent of this action.

Issue 8: ADMIN: Rate Review; Marina; Moorage (2008)

Kristin Garcia reported that on May 20, 2003, the port commission approved Resolution 03-06 establishing a wet moorage rate model which was developed by BST Associates. The rate model is utilized on an annual basis in determining moorage rate adjustments. Staff has performed the calculations for 2008 in accordance with Resolution 03-06. The calculation shows an average increase of 5.5% for both open and covered wet moorage rates. However, at this time, staff would not recommend increasing wet moorage rates this year but reassess again next year.

Additionally, staff used the same rate model to calculate rates for dry storage with the average increase for both open and covered dry storage rates at 23%. Staff recommended increasing rates for dry storage in order to stay current with the market.

Review of occupancy rate for open, covered and dry storage.

Discussion ensued regarding the proposal by staff and its authority established under Resolution 03-06 to utilize the rate methodology developed by BST Associates on an annual basis in determining moorage rate adjustments. There was a consensus that both open and covered wet moorage rates increase 3 – 5% and open and covered dry storage rates increase 9%.

Commissioner Kaufman arrived at meeting and was now presiding as President.

Issue 9: MARINA: Abandoned Boats; Sale of Abandoned Vessel 32' Tollycraft – Adopt Resolution

Paul Stannert reported that RCW 53.08.320 and Section 6 of the Port of Skagit County Rules and Regulations Applying at La Conner Marina set forth procedures for dealing with vessels delinquent in payment of port charges. They established that vessels secured for non-payment and not released after 90 days are conclusively presumed to be abandoned.

The port commission can authorize the sale of abandoned vessels at public auction to satisfy port charges. The unnamed vessel, a 32' Tollycraft, hull identification number WNZ3915CL165, has been secured for more than 90 days.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-10 authorizing the sale of an abandoned vessel, described as a 32' Tollycraft, registration number WNZ3915CL165, which has been secured for more than 90 days.

RECESS WORK SESSION

Work Session recessed at 10:21 a.m.

RECONVENE WORK SESSION

The regular meeting was reconvened at 10:26 a.m.

Issue 10: ADMIN: Leasing Policy – restaurant.

Scott Peterson reported to the commission that staff has met with the operator of the Airport Deli, Lee Johnson, concerning her request to review her current lease. Staff has

requested consideration of the possibility of a percentage rent lease based on sales. She is struggling to balance cash flow between busy and slow periods. A percentage lease might help her by reducing her rent during slow periods and increasing her rent during busy periods.

Discussion.

Staff will continue to work with Lee Johnson at developing a lease wherein there is a reduction in land rent with assurances that any reduction in rent passes through to the operator. Said benefit would not carry on to any future operator.

Issue 11: TENANT: Airport: Chuckanut Building, LLC (Hubner/Carpenter) 2003.

Scott Peterson reported to the commissioners that staff has been working on a fifty (50) year lease agreement for Chuckanut Building, LLC for Lot 83. The lease is a thirty (30) year lease with two (2) ten (10) year options, beginning April 1, 2008 and ending March 31, 2038. Staff recommended the commission approve a new lease for Lot 83 with Chuckanut Building, LLC.

Discussion.


COMMISSION ACTION: The commission unanimously approved the lease agreement dated April 1, 2008, with Chuckanut Building LLC, and requested staff prepare a letter to accompany said lease with the proviso that if a future port commission needs Lot 83 to better serve the public good, it may be taken back through a condemnation proceeding, and authorized staff to take any necessary steps to carry out the intent of this action.

ADJOURNMENT

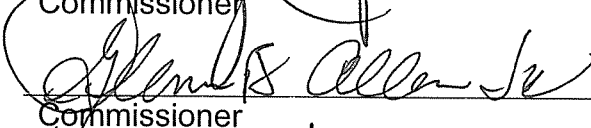
The commission adjourned the work session at 11:35 a.m.

ADOPTED IN OPEN SESSION this 6th day of May 2008 and duly authenticated by the signatures affixed hereto.

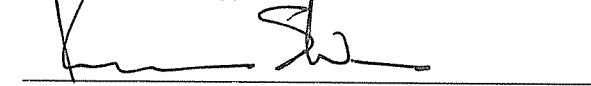
PORT OF SKAGIT COUNTY



Commissioner



Commissioner



Commissioner