

PORT OF SKAGIT COUNTY

Regular meeting of the Port Commission

Tuesday, April 15, 2008 5:00 PM

MINUTES

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

Changes or additions to the agenda as follows:

1. MARINA: Abandoned boats, Sale of Abandoned Vessel – Adopt Resolution
2. ASSOC: PNWA Mid-Year Meeting (2008) – Discuss Meeting Dates
3. Executive Session to discuss the possible sale, purchase or lease of property the public discussion of which could affect the price and personnel. Executive session will last approximately 30 minutes. Action may or may not be taken.

Public Communications

Published articles noted by commission.

Discussion of Skagit Valley Herald, article, "Invasive Mussel Species Found on Boat Moored at La Conner", 4/5/08.

Approval of Minutes

COMMISSION ACTION: The commission unanimously approved the minutes of the March 18, 2008 regular commission meeting and the March 18, 2008 Tax Equity and Fiscal Responsibility Act (TERFA) meeting minutes.

Fiscal Matters

COMMISSION ACTION: The commission unanimously approved March and April, 2008 vouchers as presented.

ASSOC: PNWA Mid-Year Meeting; June 18-20, 2008

Patsy Martin reported that the PNWA Mid-Year Meeting is scheduled for June 18 -20 and staff would like to discuss the June commission meeting date. The regular meeting of the port commission is scheduled for June 17.

Discussion.

It was the consensus of the commission to reschedule the June commission meeting. Debbie Hamilton will contact the commissioners to establish a June meeting date.

ADMIN: Tenant Employment Census; First Quarter Report (2008)

Patsy Martin reported that port tenants have an overall decrease of 86 employees. Port wide employment is down 8% from 1,269 to 1,178 for full time employees, and part time employees increased 16% from 71 to 82. The biggest downturn is occurring in the construction-dependent businesses: Lindal Building Products and Tri-County Truss. Pacific Mariner's employment is down after the fire in their facility earlier this year. In addition, the port is responsible for another 818 full time jobs in industries the port has helped to locate on privately held property in Skagit County.

Discussion

ASSOC: NARF; 1st Quarter Billings and Report (2008)

Patsy Martin reported that the port has received the first quarter 2008 billing from NARF in the amount of \$6,250. The payment request was included in the voucher approval.

BBIP: Building Information; 11768 Westar Lane (2005); Exterior Painting (Paintworks, LLC) - Update

Patsy Martin reported that the port hired Paintworks, LLC for a paint job on the TTM building in 2005. The job was not completed to industry standards. As a result, the company was asked to redo the job, however it was not completed in a satisfactory manner. The paint has bubbled and peeled in several places and needs to be redone.

The port had pursued a lawsuit against Paintworks, LLC, however, the port has received notice of their filing bankruptcy. The port is no longer able to pursue action against the company.

MARINA: Occupancy Reports; Comparison of Monthly & Transient Moorage

Patsy Martin reviewed the marina occupancy report with the commission. Marina staff has been working diligently to get the moorage occupancy back up. Staff plans to have the commission review occupancy reports at the regular commission meetings.

Discussion regarding outcome of securing new tenants as a result of the Seattle Boat Show. Marina staff reported that they have four new tenants committed to moorage for one year as a direct result of the Seattle Boat Show.

PUB AGEN: Northwest Agriculture Business Center (2008) – Approve Interlocal Agreement

Patsy Martin reported that Mr. David Bauermeister of Northwest Agriculture Business Center (NABC) attended the February 19, 2008 commission meeting. NABC was created by the Skagit, Whatcom, Snohomish, San Juan and Island County Commissioners as a 501c3 non-profit to help support the survival of the agriculture industry in the five county region. She reported NABC's goal of constructing a food processing facility on port property as soon as possible, with three clients secured for the facility: Pleasant Valley Farms (pickle and sauerkraut producers), Whole Baby Foods (produces baby food) and Skagit Apple Growers (value added apple products).

NABC wishes to apply for a feasibility grant prior to applying for a CERB loan to construct a facility. It feels that this feasibility grant is important to lay out the various pieces of this project, including the financial aspects of a long-term facility. NABC has learned that it is not able to apply for the feasibility grant and has requested the port submit the grant application.

NABC has agreed to enter into an interlocal agreement with the port which will require them to provide the services for the grant. The port's responsibility will be to ensure that the tasks are completed for the funds distributed.

COMMISSION ACTION: The commission authorized staff to enter into an agreement for services with NABC to complete the scope of work included in a CERB grant application for a feasibility study looking at developing a regional processing facility to be located on port property.

AIRPORT: Rules and Regulations Update – Approve Update

Patsy Martin reported that the Port of Skagit County adopted Rules and Regulations applying at the Skagit Regional Airport and Bayview Business and Industrial Park on October 17, 2000. Port staff feels at this time an additional regulation needs to be adopted pertaining to aircraft located on the apron or in a tie-down that are not operable or do not hold a current airworthiness certificate. Currently, there are two aircraft located on the apron that do not hold airworthiness certificates, are not actively being refurbished and are falling into disrepair. Staff feels this is unacceptable and that six months is an appropriate time frame to make arrangements for refurbishment of the aircraft or relocation to a more appropriate field. Therefore, staff is recommending a requirement be included in the regulations that aircraft not operable and/or without airworthiness certificates be either moved inside an appropriate facility or relocated to a more appropriate air field within six (6) months.

COMMISSION ACTION: The commission unanimously adopted a change to the airport rules and regulations by authorizing a new regulation requiring aircraft located on the roadway, taxiway, apron or in a tie-down be operable and hold a current airworthiness certificate or be moved inside an appropriate facility or relocated to a more appropriate field within six (6) months.

EASEMENT: Marina; Town of La Conner, Third Street Sewer Line; Peninsula Waterline – Approve Easement

Patsy Martin reported that the Town of La Conner has requested an easement from the port for a section of sewer line along the west side of Third Street. The section of sewer line is located in front of the proposed new marina building to be constructed on the peninsula and has encroached on port property since its construction. The requested easement will remedy this situation.

Port of Skagit County
Regular Meeting of the Commission
April 15, 2008

The Town is also requesting an easement from the port for a water line that will serve the new building. This easement would extend beyond the proposed building area to cover the future extension of this water line and will serve the port property located west of the proposed building.

The Town is requesting the easements as conditions of the building permit approval for the proposed building.

COMMISSION ACTION: The commission unanimously approved granting an easement to the Town of La Conner:

- 1) For a section of sewer line that encroaches on port property along third street at the La Conner Marina; and**
- 2) For a waterline to serve the proposed Peninsula building at the La Conner Marina.**

MARINA: South Basin Yard Facility (Marina Peninsula Building) – Approve Award of Bid

Kristin Garcia reported that the port went out for bid on the peninsula building, with a March 27 bid opening. She reported that the purpose of south basin yard facility (Marina Peninsula Building) is to construct a new wood-framed multi-tenant building which is approximately 12,500 S.F. The building contains two floors. The first floor is approximately 9,547 S.F. with a covered roof area of approximately 636 S.F. The second floor is approximately 3,000 S.F. Port staff are negotiating leases for this building with prospective tenants La Conner Yacht Sales and Action Marine.

The purpose of the alternate bid is to apply asphalt paving in lieu of gravel surface at the storage area. Staff feel accepting the additive alternative bid at this time is appropriate in anticipation of an increase in costs if the bid is accepted at a later date.

The bid proposed for commission approval is within the 2008 budget parameters and within the architect's estimate.

The port received five (5) bids for this project. Roosendaal-Honcoop Construction, Inc. was the low bidder at \$1,882,575 base bid and Alternate No. 1 \$50,490. These figures represent the base bid amount, excluding sales tax.

Peter Carletti of Carletti Architects, P.S. has reviewed the bidder's qualifications and recommends awarding the bid to Roosendaal-Honcoop Construction, Inc., as the successful bidder.

COMMISSION ACTION: The commission unanimously:

- 1) Awarded the bid to Roosendaal-Honcoop Construction, Inc. for construction of the south basin yard building in the amount of \$1,882,575 (excluding sales tax) with an additional bid of \$50,490 (excluding sales tax) for additive alternative bid no. one, and**
- 2) Authorized the executive director to execute the necessary documents.**

PUB AGEN: City of Burlington, City of Mount Vernon, Port of Skagit County; Interlocal Agreement; Ownership, Maintenance and Operation of Fiber Optic Facilities (2008) – Approve Interlocal Agreement

Patsy Martin reported that the Port of Skagit County has been interested in providing high speed fiber optic services at the Bayview Business and Industrial Park (BBIP) and Skagit Regional Airport for several years. For many years port tenants were forced to use dial-up services or pay for fairly expensive T-1 lines. Approximately three years ago Verizon provided DSL service at BBIP that assisted many tenants. However, several tenants still need the higher speed service to transmit significant amounts of data. Staff, along with the City of Mount Vernon, City of Burlington and Skagit County applied for a grant from Skagit County's Economic Development Facilities Distressed/Rural County Sales and Use Tax. On February 13, 2008, the committee voted to provide \$300,000 of grant funding for that project. That \$300,000 combined with \$150,000 match from the port and \$6,250 match from Skagit County and City of Burlington provides \$462,500 for the project. The port entered into an interlocal agreement with the City of Mount Vernon in December 2007 for the development of the design and engineering required to extend the fiber services from Mount Vernon to the port. The engineering work is approximately 90% complete. Kim Kleppe of the City of Mount Vernon estimates bidding the projects in May.

Due to the complexities of providing high speed fiber services all parties involved felt it imperative that all entities jointly agree on how these services will be provided. Therefore, the group developed an interlocal agreement.

COMMISSION ACTION: The commission unanimously approved an interlocal agreement among the City of Mount Vernon, City of Burlington and the Port of Skagit County pertaining to the provisioning of high-speed fiber optic services.

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

Paul Stannert reported that a vessel described as a 1978 26' Uniflite, registration number WN 553 BH, 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 regulations. The above vessel has not been released to its owner as the account has not been brought current as of April 15, 2008, nor have arrangements been made for the removal of the vessel from the moorage facility.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-11 authorizing the sale of an abandoned vessel, described as a 26' Uniflite, hull identification no. UNF011471277265115.

RECESS REGULAR MEETING

The regular meeting recessed at 5:46 p.m.

EXECUTIVE SESSION

An executive session was held to discuss the possible sale, purchase or lease of property the public discussion of which could affect the price and potential litigation. The executive session is

expected to be 30 minutes and started at 5:58 p.m. The commission expects to return from executive session by 6:40 p.m. Brad Furlong, port attorney was present.

The executive session ended at 6:25 p.m.

RECONVENE REGULAR MEETING

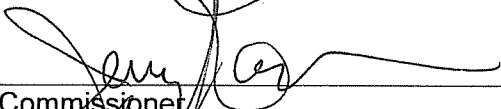
The regular meeting was reconvened at 6:26 p.m.

ADJOURNMENT

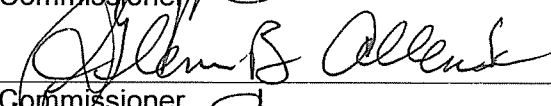
The commission adjourned the regular meeting at 6:27 p.m.

ADOPTED IN OPEN SESSION this 20th day of May, 2008 and duly authenticated by the signatures affixed hereto.

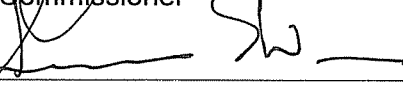
PORT OF SKAGIT COUNTY



Commissioner



Commissioner



Commissioner

