

PORT OF SKAGIT COUNTY

Regular meeting of the Port Commission

Tuesday, May 20, 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, Debbie Hamilton and Brad Furlong
Others - See Attached

Changes or additions to the agenda as follows:

1. AIRPORT: Beacon Relocation Project (2008) – Approve Grant
2. AIRPORT: Taxiway A; Maintenance Crack Sealing Project (2008) – Approve Grant
3. TENANT: Airport; Bayview Executive Hangars, LLC; Lot 81; Lease dated 12/1/04 – Approve Plans
4. ADMIN: Bayview Ridge Sub-Area Plan – Status Update
5. TENANT: Marina; A & M Yacht Brokerage, Inc. – Approve Lease (Postpone until June 5, 2008 Agenda)
6. TENANT: Marina; Action Marine Services, Inc. - Approve Lease (Postpone until June 5, 2008 Agenda)
7. ADMIN: 2008 Budget; Authorize Budget Increase – Marina Pre-Design Redevelopment Project (Postpone until June 5, 2008 Agenda)
8. Executive Session to discuss personnel. Executive session will last approximately 30 minutes. Action may or may not be taken.

PUBLIC HEARING

Open Public Hearing 5:05 p.m.

The purpose of the Public Hearing was to provide the opportunity for the public's input as to the matter of the port declaring the water system improvements surplus and conveying the same to the Public Utility District No. 1 and modifying the Port's Comprehensive Plan at Bayview Business and Industrial Park accordingly.

Staff provided background information.

Commission directed questions to staff.

No comments or questions from the public.

Closed the public hearing 5:07 p.m.

Action by the commission will be taken under the action item listed later in the meeting agenda.

Public Communications

Published articles noted by commission.

Approval of Minutes

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

Fiscal Matters

COMMISSION ACTION: The commission unanimously approved May 2008 vouchers as presented.

ADMIN: Economic Impact Study; Update (2005) – (Oral)

Patsy Martin reported the port is proceeding with an economic impact study for all lines of port business (airport, marina, industrial park) with BST and Associates. In 2005, BST developed surveys to send to each of the port's lines of business. BST has been directed to proceed with the study and staff is now ready to send the surveys.

ADMIN: Use Permit; Humane Society of Skagit Valley Dog Walk-A-Thon

Mary Jo Newbury reported that the Humane Society of Skagit Valley has requested the use of port trails to hold a dog Walk-A-Thon on May 31, 2008 between 10 am and 1 pm. This will be the third time this event has been held at the Port of Skagit County. In accordance with port policy, the Humane Society of Skagit Valley has provided a certificate of insurance naming the port as additionally insured and executed a Hold Harmless Agreement.

ADMIN: Use Permit; La Conner Chamber of Commerce; La Conner Classic Yacht and Car Show (2008)

Paul Stannert reported that the La Conner Chamber of Commerce has requested the use of the south basin parking lots together with the use of F Dock to stage the 8th annual Classic Yacht and Car Show on Saturday, September 13, 2008. Hosting this event would directly benefit the port by providing a venue that attracts boat and car enthusiasts to the La Conner Marina and the Town of La Conner from all around the northwest. Proceeds from the event will be dedicated to the La Conner Chamber of Commerce.

Martin Howard was present and thanked the commission for allowing them to hold the event on port property and for the port's contribution of \$500.00 in sponsorship last year. They are again requesting use of the port's property and a \$500.00 contribution.

COMMISSION ACTION: The commission unanimously approved use of the port's property and a sponsorship of the annual Classic Yacht and Car Show in the amount of \$500.

TENANT: Tri-County Truss; Awards Ceremony June 19, 2008

Patsy Martin reported that the staff and commission have received an invitation to an awards ceremony at Tri-County Truss celebrating their accomplishment of obtaining STAR Level of the Washington Labor and Industries' VPP Safety Recognition on June 19, 2008 from Noon to 2:30 p.m. The invitation includes lunch and tours of the facility.

TENANT: BBIP; Young Todd; dba The Connexion; Lease dated 9/1/2006 – Amend Lease

Scott Peterson reported that Todd and Janna Young are the owners of The Connexion. The port and Todd Young entered into an Incubator Lease on September 1, 2006 for Unit C of the TTM Building.

The Connexion has experienced a financial hardship wherein litigation was involved. A contractor hired to upgrade its website failed to perform necessitating hiring another firm to complete the upgrade.

Todd Young requested the port consider allowing them to begin the Incubator Program over effective June 1, 2008. This would allow them time to implement the new website and get the business plan back on track.

The Connexion has been an excellent tenant at the Port of Skagit County in terms of payment and cooperation with staff.

COMMISSION ACTION: The commission unanimously authorized staff to amend the Todd Young (dba The Connexion) Incubator Lease to start over effective June 1, 2008 at a monthly rate of .16 cents the 1st year, .32 cents the 2nd year, and .48 cents per square foot the 3rd year.

ADMIN: Bond Funds; Account Closure (2008); Adopt Resolution

Kristin Garcia reported that the port has five bond funds, W5002 Rev Bond Reserve, W5013 Taxable Project, W5020 GO Bond, W5027 1997 LTGO, and W5030 Revenue Bond P&I which were initially created to track bond proceeds and/or service debt payments for prior year bond issuances, some dating back to the late 1960's and 1970's. Based on research conducted by staff, and confirmation from the Skagit County Treasurers office, these funds have excess unrestricted cash/investments remaining in them after all bond proceeds have been disbursed and all principal/interest payments have been applied.

Additionally fund W5020 has a receivable balance of \$627.09 which is deemed to be uncollectable. The county's system won't allow for purging of receivables so this amount needs to be re-directed to another fund if fund W5020 is closed.

Staff contacted the State Auditor's Office to discuss the possibility of closing these funds. The State Auditor's Office concurred with staff's conclusion that the cash/investment balances are not restricted and can be transferred to the general fund.

COMMISSION ACTION: The commission unanimously adopted Resolution Number 08-12 authorizing:

- 1.) **The Director of Finance to close bond funds; W5002 Rev Bond Reserve, W5013 Taxable Project; W5020 GO Bond, W5027 1997 LTGO, and W5030 Revenue Bond P & I; and**
- 2.) **The transfer of unrestricted excess cash and investments from said bond funds into fund W5001 General; and**
- 3.) **The transfer of taxes receivable balance from fund W5020 GO Bond into fund W5001 General.**

ADMIN: Fiber; Award of Bid (2008)

Patsy Martin reported that the port was awarded a \$300,000 grant by the Skagit County .09 Grant Committee and Skagit County Commissioners to install fiber optic cable and infrastructure between the Burlington Bridge and the Port of Skagit County facilities at Bayview Business and Industrial Park and Skagit Regional Airport. The Port's match in this project is \$150,000. The City of Burlington and Skagit County are each contributing a small amount to install fiber optic cabling to their respective facilities along Burlington Boulevard.

Kim Kleppe from the City of Mount Vernon is designing and managing this project for the port pursuant to an interlocal agreement between the City of Mount Vernon and the Port of Skagit County. The three components to the project include:

- 1.) Installation of conduit at the Port of Skagit County's Bayview Business and Industrial Park.
- 2.) Pulling of fiber between the Burlington Bridge and the Port of Skagit County main office building and throughout the Bayview Business and Industrial Park.
- 3.) Connection of individual tenants who desire hook-up to the fiber.

COMMISSION ACTION: The commission unanimously awarded the bid for the installation of conduit to Handy's Excavating in the amount of \$133,023 (including tax).

ADMIN: Insurance; Medical – Broker of Record (1/14/97 – Current)

Kristin Garcia reported that Wells Fargo Insurance Services is the Port's current broker of record for its medical insurance plan with Regence BlueShield. Port staff feel the level of service being provided by the port's current broker is lacking. Staff met with Sound Benefit Plans, Inc. and determined the level of service they are offering best meets the needs of the Port.

COMMISSION ACTION: The commission unanimously:

- 1) Appointed Sound Benefit Plans, Inc. as the broker of record on the Port's medical insurance plan with Regence BlueShield, effective June 1, 2008.**
- 2) Authorized the director of finance to execute the necessary documents.**

AIRPORT: Binding Site Plan; Project (04-22) Phase II, Divisions 5 & 7 (2004)

Patsy Martin reported that it is time for the port to transfer ownership of port-installed waterline improvements at Divisions 5 and 7 to Public Utility District No. 1 (PUD). The PUD requires ownership of the system to maintain and operate it. This is consistent with past port policy.

The port is required to surplus the waterline improvements before they can be transferred to the PUD. Surplus requires a public hearing. Public hearing notices have been published in the Skagit Valley Herald and posted at Divisions 5 & 7 and the public hearing has been held. A Quit Claim Deed and Bill of Sale documents must also be executed to complete the transfer.

COMMISSION ACTION: The commission unanimously approved Resolution Number 08-13 authorizing the transfer of ownership of the waterline improvements at Skagit Regional Airport, Phase II, Divisions 5 and 7, to the Public Utility District No. 1 and execute the necessary documents to complete the transfer.

ADMIN: Request for Proposals; former Crosswinds Restaurant (2008)

Scott Peterson reported that staff has been researching appropriate minimum criteria for the operation of the former Crosswinds Restaurant. They have concluded that the criteria listed on a May 2008 Request for Proposal (RFP) – Lease/Operation of Crosswinds Restaurant, Skagit Regional Airport is appropriate and presented the RFP to the commission. Staff will distribute the RFP in the next week and plans to present any proposals submitted at the commission meeting on July 8, 2008. Staff has a goal of having the restaurant open sometime in August 2008.

Discussion

COMMISSION ACTION: The commission unanimously authorized staff to issue a request for proposals according to the RFP presented for proprietors to operate the former Crosswinds Restaurant.

**AIRPORT: Airport; Beacon Relocation Project (2008) and
AIRPORT: Airport; Taxiway A; Maintenance Crack Sealing Project**

Patsy Martin reported that the Washington State Department of Transportation (WSDOT) Aviation Division offered a grant program wherein airport sponsors could apply for airport grants during the 2007 – 2009 biennium. The port applied for a grant and committed 50% funding to repair cracks in the asphalt on Taxiway A and to relocate the airport beacon at Skagit Regional Airport in the amount of \$22,000 and \$29,000 respectively.

On May 15, 2008, the port received notification from WSDOT that it has allocated 50% funding in the amount of \$51,000 to the port for the above referenced projects. The port has appropriate budget reserves to support the \$51,000 matching fund requirement.

COMMISSION ACTION: The commission unanimously adopted Resolution 08-14 authorizing a Washington State Department of Transportation Aviation Division grant in the amount of \$51,000 to (1) repair cracks in the asphalt on Taxiway A and (2) relocate airport beacon at Skagit Regional Airport.

TENANT: Airport; Bayview Executive Hangars, LLC; Lot 81; Lease dated 12/1/2004

Scott Peterson reported that the port entered into a thirty (30) year land lease for Lot 81 with Bayview Executive Hangars, LLC on December 1, 2004 allowing Bayview to construct executive hangars. Bayview's plans are to construct two (2) separate condominium buildings consisting of four (4) executive t-hangars each. Bayview has completed Phase I consisting of one (1) condominium four (4) unit t-hangar building.

Bayview is ready to begin Phase II of their project consisting of the final condominium four (4) unit t-hangar. Staff and Bayview have met several times to review this project and implement the port's storm drainage and security fence requirements into the project.

COMMISSION ACTION: The commission unanimously approved the conceptual plans dated February 12, 2008 by BL Gertz & Associates to construct Phase II of the hangar units on Lot 81 conditioned that the landscaping plan be reviewed by port staff and maintained by the tenant.

ADMIN: Bayview Ridge Sub-Area Plan – Status Update

Patsy Martin reported that Skagit County recently held a public hearing to discuss a zoning issue in the Bayview Ridge Sub-Area Plan. During the meeting there was public discussion regarding the Burlington Edison School District's plan to build a new school within the Bayview Ridge Sub-Area Plan. The public has concerns about noise and safety issues.

The commission directed Patsy Martin to write a letter of support to Skagit County stating the location of the school is safe and appropriate.

Brad Furlong reported aviation easements and noise disclosure forms will be a requirement in the permitting process if the school is to be located on this property site.

Break 6:24 pm

Reconvene from Break 6:30 pm

WSDOT Presentation

PUB AGEN: WSDOT: Interstate Masterplan Preliminary Recommendations for Long-Term Improvements - Presentation

Patsy Martin introduced Tom Stacey from the Washington State Department of Transportation (WSDOT). Mr. Stacey made a presentation regarding Interstate 5 problems and improvement options between Conway and Cook Road.

I-5 problems and improvement recommendations will be explained in a final report later this year. The report will provide the long-range planning context that enables FHWA, WSDOT, local agencies and the regional community to work together to prioritize and implement improvements to address short-term and long-term needs.

RECESS REGULAR MEETING

The regular meeting recessed at 7:20 p.m.

EXECUTIVE SESSION

An executive session was held to discuss personnel. The executive session is expected to be 30 minutes and started at 7:30 p.m. The commission expects to return from executive session by 8:00 p.m. Action may or may not be taken.

The executive session ended at 8:00 p.m.

RECONVENE REGULAR MEETING

The regular meeting was reconvened at 8:01 p.m.


COMMISSION ACTION: The commission unanimously approved a 6% raise to the executive director's compensation package effective April 1, 2008.

ADJOURNMENT

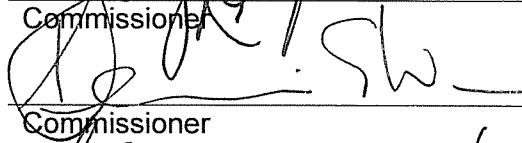
The commission adjourned the regular meeting at 8:03 p.m.

ADOPTED IN OPEN SESSION this 5th day of July, 2008 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY



Commissioner



Commissioner



Commissioner



Port of Skagit County
 Commission Regular Meeting
 Date: May 20, 2008, 5:00 PM



Name/Organization/Company	Address	Phone Number	Do you wish to speak? Topic?
MARTIN HANCOCK CLASSIC	hankerson	466-7442	Y/N Y
Tom Stacey	WSDot	360.757-5982	Y/N Presentation
Bark Cousins	Sedro Woolley	360 708-2538	Y/N
Todd Young / the connection	Weston Lane Unit C	5.333.7397	Y/N
TIM HOFFERTH / BAYVIEW HANGARS	6131 PARKSIDE ANACORTES	360 421 9590	Y/N NEW HANGAR PROJECT
DAVE TRACY CLASSIC	503 S. 3RD ST. LA COWSEN	360-466-9909	Y/N CLASSIC
Mike Powell - Drive Ear	Anacortes		Y/N
			Y/N
			Y/N