



Port of Skagit

Regular Meeting of the Port Commission

Tuesday, January 3, 2017 – 3:00 PM

Port of Skagit Hearing Room – 15400 Airport Drive, Burlington, WA 98233

MINUTES

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

Staff - Patsy Martin, Scott Peterson, Sara Young, Greg Thramer, Heather Haslip, Karmen Hardy, Brady Rowe Jodee Peace, Andrew EntriKin, and Keith Love

Legal Counsel – Brad Furlong

Others - Corley McFarland

CALL TO ORDER

Steve Omdal called to order the January 3, 2017 regular meeting of the port commission.

The commission moved to amend the agenda as follows:

Changes or additions to the agenda as follows:

1. ADMIN: Broadband – Discussion
2. ADMIN: 3RD Quarter 2016 Financial Report – Review
3. TENANT; BBP; NW Mills and Specialty Grains, SPC – Approve Amendment
4. ADMIN; Swift Center - EPA Brownfield Grant - Discussion
5. ADMIN: Marina; Marina Rate Review (2017) – Adopt Resolution

CONSENT AGENDA

Public Communications

December 13, 2016 Regular/Special Meeting Minutes

Fiscal Report

ADMIN: Establish Salary and Wage Ranges (2017) – Review Correction

The commission reviewed the consent agenda items.

COMMISSION ACTION: The commission unanimously approved the January 3, 2017 consent agenda.

PUBLIC HEARING – 3:00 p.m.

The public hearing was opened at 3:09 p.m.

Commissioner Omdal instructed the public that the purpose of the Public Hearing is to provide the opportunity for the public's input as to the matter of the establishing an industrial development district and fixing the boundaries of said industrial development district.

The port's bond counsel, Cynthia Weed, had prepared a resolution for review and discussion. The proposed resolution does not authorize the levying of taxes rather it establishes an industrial development district and fixes the boundaries.

Commissioner Omdal opened the floor for public comments or questions. Hearing none, he closed the public hearing at 3:15 p.m.

OPEN FORUM

Commissioner Omdal opened the floor for public comment.

Hearing none, the floor was closed.

STAFF REPORTS

ADMIN: Northwest Agriculture Research Foundation (NARF); Contract 2017-2021 – Status Update

Patsy Martin reported that the NARF contract was up for renewal and had been executed for period 2017 – 2021.

ADMIN: Port Calendar – Review Calendar

The Port calendar was provided to the commission which included dates for meetings, events, trade shows, conferences/seminars and annual reminders to assist with schedule planning for 2017.

ADMIN: Seattle Boat Show; January 27 – February 4, 2017 – Status Update

Patsy Martin reported the upcoming Seattle Boat Show was scheduled January 27 – February 4, 2017 at CenturyLink Field Event Center. The commissioners were invited to attend. Scott Peterson reported the theme of the boat show is a marina t-shirt which reads, "I Survived the Swinomish Slough" and will be prominent at the show.

ADMIN: Broadband – Status Update

Patsy Martin reported on the progress of working with Joe Poire, Port of Whitman County, and EDASC to complete a broadband master plan for Skagit County; maps are anticipated to be available in the next couple weeks. The staff will update the commission again on progress. In

addition, the port is partnering with Washington Public Ports Association seeking legislative changes to RCW 53.08.370 to better facilitate broadband deployment throughout Washington State.

ADMIN: Third Quarter 2016 Financial Report – Status Update (Oral)

Greg Thramer reported on the third quarter financial reports, including year-to-date operating income (revenues and expenses) actual to budget comparison for each department and summary for port-wide operations.

Discussion.

NEW BUSINESS

ADMIN: Marina; Marina Rate Review (2017) – Adopt Resolution

The commission adopted the 2017 marina moorage rates at the December 13, 2016 meeting. During discussion, commission expressed interest in a market rate analysis versus a standard formula based approach in determine moorage rates. Therefore, staff revised the proposed rates to reflect the market which would hold the covered moorage rates flat with the exception of the 50 foot covered slip, which would decrease 4.8 percent. The new covered rates will allow the La Conner Marina to remain competitive with Everett and Oak Harbor.

Staff recommended the current open moorage rates be increased by 4.1 percent effective February 1, 2017. Staff envisions varied rate increases within the moorage facility moving forward based upon the market and demand for the different slips.

COMMISSION ACTION: Commissioner Shuler moved that the commission adopt Resolution No. 17-02 which adopts the Port of Skagit – La Conner Marina Schedule of Charges effective February 1, 2017. Commissioner Ware seconded. Motion carried unanimously.

ADMIN: Establish Industrial Development District and Fix Boundaries (2017) – Adopt Resolution

Greg Thramer reported on establishing the industrial development district (IDD). The port currently has ten (10) existing industrial development districts within the proposed boundaries of the port of Skagit Industrial Development District which the port proposes to terminate and consolidate into a single industrial development district with a boundary that matches existing port district boundaries. The benefit is that future IDD levies, if any, could be used for qualifying projects anywhere within the port district. The proposed resolution does not authorize the levying of taxes rather it establishes an IDD and fixes the boundaries. In order to IDD taxes in the future, the Port would be required to publish a notice of intent to levy, hold a public hearing, and adopt a

resolution approving the use of multi-year levy period. Staff recommends adoption of the resolution as presented making necessary findings, establishing an industrial development district and fixing the boundaries of said industrial development district.

Discussion.

COMMISSION ACTION: Commissioner Shuler moved that the commission adopt Resolution No. 17-01 making necessary findings, establishing an industrial development district (“IDD”) and fixing the boundaries of said industrial development district. Commissioner Ware seconded. Motion carried unanimously.

BBP: Bread Lab Tenant Improvements Project (2016) – Accept Project as Complete

The Port awarded a contract to HB Hansen Construction, Inc. on January 26, 2016 for the construction of the WSU Bread Lab Tenant Improvement Project Phase I. The total budget amount for the project was \$943,000. The final total project cost is estimated to be \$770,124. The project work has been completed. Carletti Architects reviewed the final project and recommended approval of all work on September 12, 2016.

(See Commission Action below. Actions taken together)

BBP: Chuckanut Brewery, LLC; New Building Site Prep (2015) – Accept Project as Complete

The Port awarded a contract to Western Refinery Services, Inc. on September 8, 2015 in the amount of \$323,167.25 for completion of the Chuckanut Brewery Site Improvements. The total budget amount for the project was \$405,667.25 including architectural fees of \$27,500, construction contract of \$323,167.25, and utility fees estimated to be \$55,000. The final total project cost is \$450,156.73. Additional cost items included (1) utility hook-up fees and trenching, (2) site work for fiber installation, (3) Skagit County required changes to driveway configuration, and (4) additional underground plumbing.

The project work has been completed. Staff is requesting the commission accept the project as complete including the final project cost of \$450,156.73.

COMMISSION ACTION: Commissioner Bill Shuler moved the commission accept the Bread Lab Tenant Improvement Project Phase 1 as complete and accept the Chuckanut Brewery Site Improvement Project (2015) including the final project cost of \$450,156.73 as complete. Commissioner Ware seconded. Motion carried unanimously.

MARINA: Rules and Regulations (2017) – Adopt Resolution

Scott Peterson reported that at the December 13, 2016 meeting, staff proposed an update to the rules and regulations applying at the La Conner Marina clarifying the term, “seaworthiness” of a

vessel moored at the marina. At that time the commission requested staff strengthen the provision in order to clarify how it was to be enforced.

In addition, the RV Resort rules and regulations have been incorporated into the La Conner Marina Rules and Regulations. A number of changes were made to the rules and regulations; however, they were not substantive.

Staff recommended commission adopt the updated rules and regulations applying at the La Conner Marina.

COMMISSION ACTION: Commissioner Ware moved that the commission adopt Resolution No. 17-03 adopting the rules and regulations applying at the La Conner Marina. Commissioner Omdal seconded. Motion carried unanimously.

TENANT: Airport; Corporate Air Center – Hangar Expansion Project (2017) – Approve Final Plans

The Corporate Air Center Hangar Expansion Project was granted conceptual project approval at the December 2016 meeting in order to facilitate submittal of a boundary line adjustment application to Skagit County. Precision Approach Engineering (PAE) is now completing an airport compatibility review of the project.

Discussion regarding reconfiguration of taxilane (move out, lose 3 tie-downs) to be compliant with FAA standards (slope). In future, when other projects are developed, port can move the taxilane back and re-establish the lost tie-downs.

COMMISSION ACTION: Commissioner Kevin Ware moved the commission grant final project approval to Corporate Air Center Hangar Expansion Project subject to FAA compatibility. Commissioner Bill Shuler seconded. Motion carried unanimously.

TENANT: NW Mills and Specialty Grains SPC; 11829 Watertank Road Lease – Approve Second Amendment to Lease

The Port originally executed a ten (10) year lease with NW Mills and Specialty Grains SPC for the building located at 11829 Watertank Road on May 16, 2016 and extended the term to twenty (20) years by first amendment in June 2016. The Port agreed to cover the cost of tenant improvements required for lessee's operations and amortize the cost of the improvements over the term of the lease. The term of the lease was to begin on the month following occupancy but no later than January 1, 2017, however, the project design took longer than originally estimated and staff believes the rent commencement date should reflect tenant's occupancy of March 1, 2017.

Staff recommended the commission approve second amendment to lease agreement between the Port and NW Mills and Specialty Grains SPC for building located at 11829 Watertank Road, Burlington.

COMMISSION ACTION: Commissioner Bill Shuler moved the commission approve second amendment to lease agreement between the Port of Skagit and NW Mills and Specialty Grains SPC for building located at 11829 Watertank Road, Burlington. Commissioner Kevin Ware seconded. Motion carried unanimously.

ADMIN: Northern State; EPA Brownfields Assessment Grant Application – Confirm Authorization of Application

In December 2015 the Commission authorized staff to apply for a U.S. Environmental Project Agency (EPA) Brownfields Assessment Grant of up to \$200,000 for assessment of existing contamination and cleanup and redevelopment planning at the SWIFT Center. As previously reported, the Port was not successful in obtaining funding in the FY 2016 funding cycle.

Port staff submitted a new application to EPA on December 22, 2016 requesting \$195,000 in the FY 2017 Brownsfield Assessment Grant funding cycle for continued assessment of potential environmental contamination and cleanup at the SWIFT Center. This grant program requires no match funds from the recipient, but the Port's application does pledge in-kind staff resources as voluntary match. EPA awards these grants on a competitive basis at the national level.

Application for the EPA Brownsfield Assessment Grant is an opportunity to continue to leverage different funding sources for continued investigation of the Center property.

Staff recommended the Commission confirm authorization of staff submittal of a grant application to EPA requesting \$195,000 for continued assessment of potential environmental contamination at the SWIFT Center, formerly known as the Northern State Property.

COMMISSION ACTION: Commissioner Kevin Ware moved the commission confirm authorization of staff submittal of grant application to EPA requesting \$195,000 for continued assessment of potential environmental contamination at the Swift Center formerly known as the Northern State property. Commissioner Bill Shuler seconded. Motion carried unanimously.

GOOD OF THE ORDER –

Patsy Martin informed the commission of the joint meeting between the Port of Skagit and Port of Anacortes occurring on January 5th at 7:00 p.m. at the City of Anacortes Council Chambers, with soup and sandwiches being served at 6:00 p.m. Topics of discussion include Swinomish Channel, Broadband, and Port Report.

ADJOURNMENT

The regular commission meeting ended at 3:46 p.m.

ADOPTED IN OPEN SESSION this 14th day of February, 2017 and duly authenticated by the signatures affixed hereto.

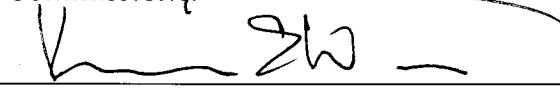
PORT OF SKAGIT COUNTY



Commissioner



Commissioner



Commissioner