



Port of Skagit

Regular Meeting of the Port Commission
Tuesday, October 13, 2015 – 3:00 PM

MINUTES

PRESENT: Commission - Kevin Ware, Steve Omdal, Bill Shuler (excused)

Staff - Patsy Martin, Scott Peterson, Sara Young, Jodee Peace, Karmen Hardy, Andrew Entrikin, Brady Rowe and Debbie Hamilton

Others - Brad Furlong – Legal Counsel

CALL TO ORDER

Kevin Ware called to order the October 13, 2015 regular meeting of the port commission.

Changes or additions to the agenda as follows:

1. Amend agenda to excuse Commissioner Bill Shuler
2. PUB AGEN: Skagit County, City of Sedro-Woolley, Interlocal Agreement Regarding Northern State (2014) – Approve First Amendment to Amended Interlocal Agreement
3. TENANT: BBP; Skagit Valley Malting, Lots 23 and 24 (2015) – Approve Lease

COMMISSION ACTION: Commissioner Steve Omdal moved to excuse Commissioner Bill Shuler. Commissioner Ware seconded. Motion carried unanimously.

CONSENT AGENDA

Public Communications

September 8, 2015 Regular Meeting Minutes

September 10, 2015 Joint Special Meeting Minutes

Fiscal Report

Budget to Actual Report

ADMIN: Marina Occupancy Report; Month Ending September 30, 2015

BBP: PSE; Power Easement, P115582 (2015) – Approve Easement

The commission reviewed the consent agenda items.

COMMISSION ACTION: The commission unanimously approved the October 13, 2015 consent agenda.

OPEN FORUM

Commissioner Ware opened the floor for public comment.

Mr. Richard Kent, a Bayview resident, was present to request the port participate in a multi-agency committee who are developing a plan to clean up Padilla Bay. He stated that port properties drain into this water shed. He would like to see port representation during the plan development.

Discussion.

STAFF REPORTS

ASSOC: Skagit Council of Governments (SCOG) Status Update (Oral)

Patsy Martin introduced Kevin Murphy, executive director of Skagit Council of Governments, who provided an annual report.

Discussion.

NEW BUSINESS

ADMIN: Cash Handling Policy; Res. 15-14 (2015) – Adopt Resolution

Scott Peterson reported that currently there are four active cash drawers in use at the marina office, per the Port's cash handling policy. Staff have determined that the fourth cash drawer is not necessary for the conduct of efficient business at the marina office and are recommending that this cash drawer be eliminated from use and the balance of \$100 be returned to the port's general fund.

COMMISSION ACTION: Commissioner Steve Omdal moved that the commission adopt Resolution 15-14 which will amend the Port of Skagit's cash handling policy. Commissioner Kevin Ware seconded. Motion carried unanimously.

ADMIN: Surplus; Port Assets Savin 2575, Res. 15-15 (2015) – Adopt Resolution

Scott Peterson reported that the Savin 2575 copy machine, located at the administration office, has reached the end of its useful life. After cost comparisons, staff is replacing the machine with a leased Konica Minolta Bizhub 754e. Staff also requested Oasys remove the Savin 2575 to dispose, as it is no longer functional.

COMMISSION ACTION: Commissioner Steve Omdal moved that the commission adopt Resolution 15-15 which declares as surplus personal property that is of no use or benefit

to the port and authorize removal for the purpose of disposal. Commissioner Kevin Ware seconded. Motion carried unanimously.

ADMIN: Northern State; Contract for Northern State Due Diligence Study; Maul Foster and Alongi (2015) – Approve Amendment

Patsy Martin reported that Maul Foster & Alongi (MFA) was contracted to prepare a Planned Action Environmental Impact Statement and Subarea Plan to prepare the land use regulatory framework for redevelopment of The Center (formerly called the Northern State property). This undertaking has been complex and involved levels of intergovernmental coordination and technical analyses that were beyond the scope of the original contract. To ensure continued progress, additional budget is necessary.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved to approve an amendment to Maul Foster and Alongi contract modifying the scope of work to support completion of the final environmental impact statement and final Subarea Plan, Fruitdale Road functional classification change evaluation/request, Economic Impact Assessment, and negotiation support related to property transition; and increasing contract total by \$75,000 for additional items to scope of work; and authorize staff to take steps necessary to carry out the intent of this action. Commission Ware seconded Motion carried unanimously.

PUB AGEN: Skagit County, City of Sedro Woolley, Interlocal Agreement Regarding Northern State (2014) – Approve First Amendment to Amended Interlocal Agreement

Patsy Martin reported that in January 2014 the Port, Skagit County and the City of Sedro-Woolley entered into an Interlocal Agreement regarding Northern State. In February 2015 the commission approved an Amended Interlocal Agreement.

Pursuant to the Amended Interlocal Agreement the parties have completed a draft subarea plan, numerous technical studies, and a draft planned action environmental impact statement. The technical studies and draft EIS indemnified requirements for future development. An amendment is now in need for the parties to work cooperatively, and assigns specific roles and responsibilities to each party.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved that the commission approve a First Amendment to the Amended Interlocal Agreement and authorize the executive director to execute the First Amendment, subject to review by legal counsel and take any

steps necessary to carry out the intent of this action. Commissioner Kevin Ware seconded. Motion carried unanimously.

TENANT: BBP; Skagit Valley Malting, Lots 23 and 24 (2015) – Approve Lease

Scott Peterson reported Salish Coast Enterprises, Inc., dba Skagit Valley Malting (SVM) entered into a Land Intent to Lease Agreement for Lots 23 and 24. SVM intends to develop Lot 24 and a portion of Lot 23 of the Amended Skagit Regional Airport Binding Site Plan, Phase 1, and the proposed use of this site will be the storage, production, manufacture, packaging, wholesaling and retailing of grain products. SVM wishes to enter into a fifty (50) year lease, beginning January 1, 2016 and ending December 31, 2066.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved to approve a lease for Lots 23 and 24 with Salish Coast Enterprises, Inc., and authorize the president and secretary and other appropriate officials to take such other action as is necessary to carry out the intent of this action. Commissioner Ware seconded. Motion carried unanimously.

ADMIN: Personnel Policy – Adopt Resolutions

Sara Young reported that the port periodically reviews its policies to ensure they are current with the market, consistent with legal requirements and that the policies provide an efficient workplace. Staff reviewed with the commission the following policies with recommendations for update: Vehicle use, clothing, drug free work place and tobacco use.

Discussion.

No action taken. Sara Young plans to work with staff on the possible policy changes and come back to the commission at the January 2016 regular commission meeting for approval.

STAFF REPORTS

ADMIN: Economic Development; Mill (2015) – Status Update (Oral)

Patsy Martin reported that one of the port's sectors of focus is value added agriculture. As a part that work, the port has been engaging with possible private sector partnerships in the growing of buckwheat and a possible mill to process flour which is grown in the Skagit Valley.

Scott Peterson reported that he has been working over the past two years on the feasibility of bringing a flour mill on port property and securing a lease with a private sector partner to run and operate the mill.

Recently, the port along with 2 private sector partners became aware of a mill for sale in Denmark. They traveled to tour the mills and research mill infrastructure and equipment. It was determined that a mill of its nature could handle all of the grains grown in Skagit Valley.

Discussion.

ADMIN: Northern State (2015) – Status Update (Oral)

Patsy Martin reported that there has been great progress made on the Northern State project. The annexation is complete, the plan is out for public review, and port staff is working on a lease, aiming for lease approval in December.

ADMIN: Tenant Employment Census (2015) – Review Census

Scott Peterson reported that overall, port-wide employment is up 9.4% compared to the third quarter in 2014.

Discussion regarding tenant employment numbers not being as high as they could be due to factors outside of the tenants' control. Several tenants, particularly in the marina manufacturing industry, have indicated to the Port they are having difficulty increasing their hiring due to a lack of qualified and trained candidates in the local work force.

PUBLIC HEARING

Commissioner Kevin Ware opened the Public Hearing at 3:00 p.m.

Commissioner Kevin Ware explained to 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 2016 Comprehensive Scheme of Harbor Improvements and Preliminary Budget (2016).

Scott Peterson provided a PowerPoint presentation of the 2016 Budget.

Commissioner Kevin Ware opened the floor to receive comments or questions from the public. Hearing none, he closed the budget hearing at 3:40 p.m.

Commissioner Kevin Ware opened the floor to receive comments or questions from the public regarding the 2016 Comprehensive Scheme of Harbor Improvements. Hearing none, he closed the comprehensive scheme hearing at 3:41 p.m.

GOOD OF THE ORDER

BREAK 3:42 p.m.

EXECUTIVE SESSION

Executive Session to discuss the possible sale, lease or purchase of property the public discussion of which could affect the price. The session will last approximately 20 minutes.

Executive Session began at 3:48 p.m.

The Public Records Officer stepped out at 4:05 p.m. to inform attendees that the executive session would continue approximately 10 minutes.

The commission exited the executive session at 4:15 p.m.

The commission reconvened the regular meeting at 4:16 p.m.

No action taken.

ADJOURNMENT

The regular commission meeting ended at 4:17 p.m.

ADOPTED IN OPEN SESSION this 10th day of November, 2015 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

Signature on File

Commissioner

Signature on File

Commissioner

Signature on File

Commissioner