



Port of Skagit

Regular Meeting of the Port Commission

Tuesday, May 16, 2016 – 2:00 PM

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

MINUTES

PRESENT: Commission - Kevin Ware and Steve Omdal

Staff - Patsy Martin, Scott Peterson, Sara Young, Greg Thramer, Heather Haslip, Andrew Enrikin, Brady Rowe, Jodee Peace and Debbie Hamilton

Others - See Sign-In Sheet

CALL TO ORDER

Kevin Ware called to order the May 16, 2016 regular meeting of the port commission.

Changes or additions to the agenda as follows:

No changes to the Agenda.

CONSENT AGENDA

Public Communications

April 5, 2016 Regular/Special Meeting Minutes

April 12, 2016 Strategic Planning/Regular Business

April 19, 2016 Strategic Planning/Regular Business

Fiscal Report

MARINA: Monthly Occupancy Report - Month Ending April 30, 2016

The commission reviewed the consent agenda items.

COMMISSION ACTION: The commission unanimously approved the May 16, 2016 consent agenda.

OPEN FORUM

Commissioner Ware opened the floor for public comment.

Guest Report: TENANT: Airport; Heritage Flight Museum; Lot 17; Lease Dated 7/1/2008 – Future Development

Greg Anders of Heritage Flight Museum was present to report that the May 14, 2016 Apollo 8 fund raiser was a great event.

He provided a status update regarding future development at Skagit Regional Airport in collaboration with other established flight museums.

Discussion.

Hearing no other comments, Open Forum was closed.

NEW BUSINESS

TENANT: Northern State: Janicki Bioenergy, LLC (2016) – Approve Land Sublease Lease

Patsy Martin reported that in January 2015 Janicki Bioenergy, LLC approached the port to discuss a lease to operate their business on the Northern State property. Since that time the port has been working with Janicki Bioenergy, LLC on a land sublease agreement for the Southern Influence Area and Peripheral Open Space Area for research and development, manufacture, administration of new technology in bioenergy and other related uses.

Peter Janicki was present and thanked port staff and the commission for their work on this project and Tim Holloran of Skagit County for taking the lead on exploration on the future of mental health services.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved to approve a land sublease agreement with Janicki Bioenergy, LLC for a portion of the Southern Influence Area and Peripheral Open Space; 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 Kevin Ware seconded. Motion carried unanimously.

ADMIN: Northern State (The Center); Memorandum of Understanding between Port of Skagit and Department of Enterprise Services (2016)

Patsy Martin reported that the port has been working with the City of Sedro Woolley, Skagit County and the State of Washington through the Department of Enterprise Services on The Center (Northern State property) since 2013.

Port staff and DES have negotiated a Memorandum of Understanding that documents the partnership and agreements between Enterprise Service and the Port as they relate to the overall property, planning for future transition, and the anticipated resulting community benefits.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved that the commission approve a Memorandum of Understanding regarding the Northern State Property (The Center) between the Port of Skagit and Department of Enterprise Services, and authorize the executive director and staff to take any steps necessary to carry out the intent of this action. Commissioner Kevin Ware seconded. Motion carried unanimously.

BREAK – the commission took a break at 2:38 p.m.

RESUME MEETING – the commission resumed the regular business meeting at 3:00 p.m.

NEW BUSINESS

ADMIN: LTGO Line of Credit (2016) – Adopt Resolution

Greg Thramer reported that staff has been in negotiations with Skagit Bank for a long-term line of credit that will meet the financing needs of the Port.

The proposed line of credit would be set up as limited tax general bonds (LTGO), and the necessary bond resolution has been prepared by Cynthia Weed, bond counsel.

Bond counsel, staff and commission reviewed a proposal dated May 2, 2016 as prepared by Skagit Bank that summarizes the terms. The line of credit would be secured by a limited tax obligation bond (LTGO). The revolving credit line limit will start at \$6 million, and then decrease by \$600,000 per year over ten-years. The interest rate is fixed at 4.18% over the ten-year life.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved the commission adopt Resolution No. 16-13 providing for authorization of a ten-year revolving line of credit secured by a limited general obligation bond with Skagit Bank not to exceed \$6,000,000. Commissioner Ware seconded. Motion carried unanimously.

ADMIN: Ratification of Resolution No. 16-08 Limited Tax General Obligation Bond (2016) – Ratify Resolution

Greg Thramer reported that bond counsel recommended the commission ratify Resolution 16-08, which was adopted at the April 5, 2016 commission meeting. There was uncertainty regarding the clarity of the Notice of Special Meeting posted on the Port's website.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved the commission ratify Resolution No. 16-08 Limited General Obligation Refunding Bond. Commissioner Kevin Ware seconded. Motion carried unanimously.

STAFF REPORTS

ASSOC: Town of Concrete; Upriver Community Radio, Sponsorship/Grant Request (2016) – Discuss Request

Patsy Martin reported that staff was approached by Erma Baude of radio station KSVU during a recent Concrete Chamber of Commerce meeting. KSVU has an anonymous donor who is offering a two-for-one matching pledge of \$12,000, dependent on KSVU raising the first \$6,000. They are asking the commission to consider a grant/sponsorship in the amount of \$6,000 to enable them to move forward with increased wattage and to extend service to remote areas.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved that the commission provide an underwriting grant to the Town of Concrete local radio station, KSVU 90.1 FM in the amount of \$6,000. Commissioner Kevin Ware seconded. Motion carried unanimously.

ASSOC: SPF Spring Farm Tour; Port of Skagit Value Added Ag Businesses 5/20/16 – Status Update

Debbie Hamilton reported that each year, Skagitonians to Preserve Farmland hosts a farm tour for SPF members and their guests to learn about the different types of agricultural infrastructure necessary to have a viable agricultural industry in Skagit Valley. The 2016 tour will be held on May 20, 2016 and they plan to tour the following port businesses; Gielow Pickles, Viva Farm, Skagit Valley Malting, Flyers Restaurant and From the Farm. The day will also include a presentation by Skagit Valley College regarding the opening of the SVC Craft Brewing Academy. The commissioners are invited to attend. Guest check-in and continental breakfast will be from 8:00 a.m. to 8:30 a.m. Tour begins at Gielow Pickles.

TENANT: BBP: Skagit Valley College Craft Brewing Academy; Grand Opening Celebration 5/24/16 – Status Update

Debbie Hamilton reported that Skagit Valley College is hosting a grand opening celebration of the Cardinal Craft Brewing Academy, 15579 Peterson Road - Tuesday, May 24, 2016 - 5:00 p.m. to 7:00 p.m. Commissioner Kevin Ware has been asked to speak during the celebration and Andrew Entrikin is working with Commissioner Ware on his speech.

NEW BUSINESS

PUB AGEN: Town of La Conner; Third Street Improvement Project (2016) – Approve Budget

Sara Young reported that on April 5, 2016, the commission approved an Interlocal agreement between the Town of La Conner and the Port regarding improvements in and adjacent to the North Third Street right-of-way in La Conner requiring repair and/or replacement. The project consists of three phases:

- Phase 1 – Preliminary Design and Cost Estimating
- Phase 2 – Construction Drawing Preparation, Permitting and Bid Solicitation
- Phase 3 – Bid Award, Construction, Inspection and Payment

The project is eligible for grant funding; the Town and Port have committed to matching funds to the project in support of the application prior to submittal.

The estimated cost for Phase 1, including engineering design, survey, and cultural resources review is \$75,000. The Port's cost share will be 50-percent of the Phase 1 costs. The estimated costs for Phases 2 and 3 is estimated to be approximately \$1.3 million. The Port's matching cost share is estimated to cost less than \$30,000.

Staff is requesting commission approval for matching funds up to \$45,000 for Phase 1 and \$30,000 for Phases 2 and 3.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved to:

- 1. Approve expenditure of matching funds for Phase 1 of the Third Street Improvement Project in the amount of \$45,000; and**
- 2. Approve a commitment of matching funds toward Phases 2 and 3 of the project in the amount of \$30,000.**

Commissioner Kevin Ware seconded. Motion carried unanimously.

TENANT: BBP; Gielow Pickles Phase III – Award Bid

Sara Young reported that the port opened bids on the Gielow Pickles Phase III project on April 15, 2016 at 2:00 p.m. The project is to build Phase III of the port-owned food processing facility within the Port's TTM building located at 11768 Westar Lane.

Up to \$750,000 of project funding will come from the Port's line of credit for targeted revenue-generating projects. An additional \$500,000 of project funding will come from a Skagit County economic development grant.

Staff received 5 bids. The lowest responsive bidder is The Franklin Corporation with a low bid of \$1,042,143.00 including Washington State Sales Tax.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved to award bid to The Franklin Corporation for construction of the Gielow Pickles Phase III Project in the amount of \$1,042,143.00 and authorize the executive director and staff to take all steps necessary to carry out the intent of the action. Motion carried unanimously.

TENANT: BBP; Grow Food, Tenant Improvement – Approve Project

Scott Peterson reported that Grow Food has a lease for the agricultural land located along the southern portion of Higgins Airport Way. The lease expires on May 31, 2024. They are requesting approval for a new agricultural building to be constructed on site in the Northern portion of the leased premises. This building will provide an enclosed area for their walk-in cooler and a vegetable wash area.

Michael Fraser, Executive Director of Grow Food, was present to discuss architectural plans and answer any questions for the commission.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved that the commission approve a tenant improvement project for Grow Food located on Lot 12, Ovenell Road. Commissioner Kevin Ware seconded. Motion carried unanimously.

TENANT: BBP; Lindal Cedar Homes, Inc., Lease dated 7/28/94 – Approve Sublease

Scott Peterson reported that Lindal Cedar Homes, Inc. recently contacted the Port regarding their desire to sublease a portion of their premises to Stile Window and Doors, LLC as they are in the process of downsizing.

Staff recommended the commission approve and execute a Consent to Sublease between the Port of Skagit, as Lessor, and Lindal Cedar Homes, Inc., as Lessee, and Stile Window and Doors, LLC, for Lot 48, Amended Skagit Regional Airport Binding Site Plan, Phase 1.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved to approve and execute a consent to sublease between the Port of Skagit, as lessor, Lindal Cedar Homes, Inc., as lessee, and Stile Window and Doors, LLC, as sublessee for Lot 48, Amended Skagit Regional Airport Binding Site Plan, Phase 1 and to take such other action as is necessary to carry out the intent of this action. Commissioner Kevin Ware seconded. Motion carried unanimously.

TENANT: BBP; Van Zyverden, Inc.; Tenant Improvement – Approve Project

Scott Peterson reported that Van Zyverden, Inc. has a land lease for the property located at 12035 Higgins Airport Way. They have experienced increased vandalism in the parking area over the past several years. They plan to construct a new chain link fence and have provided a drawing for review and approval.

Discussion.

COMMISSION ACTION: Commissioner Steve Omdal moved to approve tenant improvements for Van Zyverden, Inc. Commissioner Kevin Ware seconded. Motion carried unanimously.

GOOD OF THE ORDER

EXECUTIVE SESSION – to discuss the possible purchase, sale or lease of property the public discussion of which could affect the price. The executive session started at 3:38 p.m. and will last approximately 10 minutes.

The Public Records Officer stepped out at 3:55 p.m. to state the executive session will last approximately 20 minutes longer.

The commission exited the executive session at 4:14 p.m.

The commission reconvened the regular meeting at 4:15 p.m.

No action taken.

ADJOURNMENT

The regular commission meeting ended at 4:16 p.m.

ADOPTED IN OPEN SESSION this 14th day of June, 2016 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

Commissioner

Commissioner

Commissioner