

Port of Anacortes

Regular Commission Meeting Work/Study Session March 18, 2010

The Port Commission of the Port of Anacortes held its regular meeting and work/study session at 7:00 P.M. on the evening of March 18, 2010. This was a regularly scheduled Commission Meeting held at the Skyline Beach Club, 6041 Sands Way, Anacortes, Washington.

In Attendance: Commission President Rubin, Commission Secretary Niver, and Commissioner Hopley. Commission Vice-President Mooney and Commissioner Short were excused.

Also in attendance: Executive Director Bob Hyde, Director of Finance & Administration Johnson, Director of Engineering Elsner, Marina Manager Fowler, Information Systems Administrator Parker, Project Manager Rowe, and Executive Assistant Lindsey.

CALL TO ORDER

At 7:00 P.M. Commission President Rubin called the regular meeting of March 18, 2010, to order and welcomed all in attendance. He thanked the Skyline Beach Club, and Club President John Hutchins, for hosting this annual meeting, and introduced Andy Stevens and Wanda Mull who were filming the meeting, as well as Information Systems Administrator Parker and Executive Assistant Lindsey for the audio visual portions of the meeting.

PUBLIC COMMENT

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda.

1. *Mr. John Adams, 1917 Tweed Place, Anacortes, addressed the Commission and thanked them for coming to Skyline for the meeting. Mr. Adams noted he had lived in the shadow of the Anacortes Airport for three and a half years and got involved in Airport issues during his first year as a resident. He read from a prepared statement, which due to its length is attached to these minutes.*

2. *Mr. Leonard Kallerson, 1904 Ohio Avenue, Anacortes, addressed the Commission. Mr. Kallerson observed he had lived at this location for 13 years and during that time had seen a lot of destruction of trees and foliage on the Airport land. He was concerned with talk of an AWOS system, noting at the meeting held at the beach club last year there were claims that all trees would need to be removed to put such a system in place, and this was not a good idea. Mr. Kallerson stated he understood there was a system at the Airport where pilots and residents could call to check on the weather conditions and that should be sufficient. He stated he was strongly opposed to tearing out all vegetation at the Airport as it would be too commercial in appearance and wished to see the esthetic beauty of the area maintained.*

Commissioner Rubin thanked the speakers for their comments. Hearing no others, the floor was closed.

Commissioner Rubin introduced Executive Director Hyde who thanked the Beach Club and Office Manager Shelli Johnson for their hospitality and also Port Maintenance & Operations crew member Mike Wary for his assistance in setting up.

REGULAR AGENDA

STUDY SESSION

Executive Director Hyde introduced Port Junior Project Manager Brady Rowe who presented an overview of Airport Projects completed in 2009 and other projects underway at the Port that he was managing. The majority of the 2009 Airport Improvement projects were funded by the FAA and the Washington State Department of Transportation. These included website cameras, an Airplane Detection System to more accurately count airplane take-offs, Apron Lighting and Back-up Generator, Stormwater Analysis – now moving into the design phase, a Snow Removal Vehicle, Residing of the Fixed Base Operations Building (FBO) including an updated heating system which cuts heating costs in half, and the purchase of a FOD Boss – much like a large sweeper for keeping debris off of the airport runways and taxiway. 2010 projects at the Airport include updates to the Cathodic Protection System for fuel tanks per new regulations from the Department of Ecology and continued work on stormwater systems.

Other projects under Manager Rowe throughout the Port include a completed update to the fire suppression system for Warehouse No. 10 with the installation of new stand pipes and a deluge dry-valve system that can be updated to a sprinkler system. Warehouse No. 10 is leased to Puget Sound Rope. Also at the Marine Terminal, the Wyman's Ramp rehabilitation is underway. The Ramp is primarily used by commercial inter-island ferries and barges and provides a vital link for transportation of fuel and supplies to the islands not served by the state and county ferry systems. The ramp is being replaced, old pilings are being removed and new pilings will be installed. Additionally, an old crane and outrigger on the property will be removed and new paving and fencing will be installed. Lastly at Pier 2, the Port has received a \$775,000 Homeland Security grant to install a guard house, generator, gate, and transportation worker identification card reader at the main entrance to the pier. At the Cap Sante Boat Haven, Anthony's Restaurant has broken ground and construction is underway with an estimated opening in October. The Port will install new parking near the Anthony's site.

Executive Director Hyde thanked Manager Rowe for his presentation and responded to questions from the Commission.

Commissioner Niver inquired about the parking area the Port would install.

Executive Director Hyde explained that the Port's lease with Anthony's includes a negotiated \$200,000 for the Port to construct the parking area. This will be a joint lot with a portion for use by the restaurant and the remainder available for marina users.

Commissioner Niver also noted that the Port was able to make many Airport improvements during the past year as a result of the receipt of grant funds from the FAA and WSDOT. He observed that in regards to the Cathodic Protection System upgrades required by the Department of Ecology, this would be the first time the Port has used tax fund dollars to fund an Airport project.

AIRPORT PERFORMANCE INDICATORS

Executive Director Hyde reviewed performance indicators for the Airport. He noted that lessee 48° North Aviation had completed new executive hangars at the Airport last year with less than 100% occupancy. Chartered and scheduled passenger flights are down, dropping off quite a bit due to the economy, price of fuel, and the lack of activity in the San Juan Islands. Airport parking revenue is obtained by a lease of the paved area, roughly 50% of the parking, to San Juan Airlines. Meanwhile Tie-downs revenue and fuel sales are also down.

Commissioner Niver inquired whether the Port had any hangars available. Executive Director Hyde observed the Port presently has two hangars available for rent. Commissioner Niver noted there used to be a waiting list for Port hangars and questioned the Port's decision to lease land where new hangars were built. Executive Director Hyde observed that the Port received a lease income from 48° North.

Commissioner Hopley observed that fuel sales have dropped dramatically and questioned whether the Port was competitive. Executive Director Hyde explained that the Fixed Base Operator, in this case San Juan Airline, sets the price of fuel. The Port receives 3 cents per gallon sold from the FBO. The amount charged is often dependant on what the cost was when the fuel was purchased by the FBO.

SHIP HARBOR LEASE UPDATE

Director of Finance & Administration Johnson provided an overview of the Port's lease agreement with the Washington State Ferries division of the Washington State Department of Transportation for the 35 acre Ship Harbor property that is home to the Anacortes Ferry Terminal. The Port signed a new lease agreement effective December 16, 2009, yet retroactive to July 2009. The new lease is a 20 year lease with two 10 year options at a current rate of \$375,000 annually, which represents a 8.5% rate of return. The former lease was \$225,000 per year. Director Johnson voiced appreciation of Ferries Director David Moseley and Associate Tim McGuigan for their work on the lease.

Commissioner Niver noted the significance of the new lease, explaining that under the old lease, the Port, and therefore the tax payers of Anacortes, had essentially subsidized the ferry system with a reduced lease rate that did not meet the Port's standard for rate of return. Under the new lease, the rate of return is equal to that of other Port tenants.

Director Johnson noted that within the lease, the Port has the ability to have a market analysis done every five years and also a CPI adjustment each year, as is true for the majority of the Port's other leases.

2010 Fly In

Executive Director Hyde introduced Mr. Ken Davies, event Chairman, who spoke on behalf of the Anacortes Chapter of the Washington Pilot's Association. The Association will hold a Fly-In on June 12th, 2010 from 10 a.m. to 3 p.m. at the Anacortes Airport. Mr. Davies noted that Association has held two past Fly-Ins at the Airport with the last being on June 28, 2008. The Association holds the Fly-Ins at the Port of Skagit County Bayview Airport in alternate years. The Association sent a formal letter of intent to the Port for the 2010 event.

Mr. Davies addressed the Commission to provide a report on the event whose participants included the Whidbey Naval Air Station and SAR Helo Crew, Angel Flight, the Civil Air Patrol, the Port of Anacortes, model airplane clubs, and local businesses. Many families attend the event which features activities for children as well as their parents. The primary goal of the event is to provide public education and awareness of flying. Live music and entertainment will be provided and the Kiwanis Club will be on hand to cook breakfast and lunch, while the Anacortes High School Cheerleaders will be on site selling bottled water as a fundraiser.

Mr. Davies noted that although he is an Oak Harbor resident, he has hangared his plane at the Anacortes Airport since 2005. He is a pilot for Angel Flight, a group of pilots across the country

that fly needed blood, patients, and medical supplies using their personal aircraft and providing the fuel themselves.

Mr. Davies thanked the Commission for their time and responded to questions.

Commissioner Rubin expressed his appreciation for Mr. Davies and the Angel flight pilots who provide this vital service, noting that he had a family member that needed immediate care for whom Angel Flight's services made a life and death difference.

COMMISSION DISCUSSION

Commissioner Rubin called for any items for discussion from members of the Commission. Hearing none, he called for communications from the Executive Director.

COMMUNICATIONS

Scott Site Environmental –

Executive Director Hyde introduced Director of Engineering Elsner who displayed a framed certificate of appreciation awarded to the Port by Huxley College, the Environmental College division of Western Washington University, earlier today. He explained that as part of the Port's former Scott Paper Mill Site clean-up settlement with the Kimberly Clark Corporation and the State of Washington, Department of Ecology, a portion of funds were paid to Huxley College and to the Anacortes School District for environmental science programs. The Huxley college students worked at the Scott Site as a part of their curriculum, using the Port's technical resources and equipment. The students then reported on their findings and presented solutions during a program yesterday afternoon at the University. The Port was presented with the certificate at that time by the Dean of Huxley who asked that Director Elsner convey the college's thanks.

Director Elsner noted that an additional benefit of the settlement was the hiring of naturalist Denise Crow, an Anacortes resident, who was hired by the college to do research in support of marine activities.

Port Meetings are televised –

Executive Director Hyde reported that the Port Commission meetings are now available on Channel 21, the public access cable channel in Skagit County on Tuesdays and Thursdays at 7 p.m. and continue as well on Channel 10 in Anacortes on Wednesdays and Saturdays at 9 a.m., 2 p.m., and 7 p.m.

Commissioner Rubin noted the link from the Port's website for Channel 10 and 21 information works well, but he would like to see it more prominently displayed on the home page.

Community Tours-

Executive Director Hyde noted that the next community tour would be April 12th. All are invited to attend. Tours meet outside the Dakota Creek office at 4th & Q Avenue and move from there to a variety of locations to view Port projects.

In-Water Boat Show – Anacortes Salmon Derby

This weekend is the In-Water Boat Show at Cap Sante Boat Haven. There are 75 boats on display.

The 2010 Anacortes Salmon Derby is March 27-28th at the Boat Haven. More than 250 boats have arranged for moorage at the marina. Executive Director Hyde thanked event organizer Jay Field of the Puget Sound Anglers for this terrific event. The fish viewing and awards takes place beginning at noon on Sunday under the big tent at the Boat Haven.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. The next Regular Port Commission Meeting is scheduled for April 1, 2010 at 7:00 P.M. The next Commission Regular Meeting and Work/Study Session will be held on April 15, 2010 at 7:00 P.M. Both meetings will be at the Commission Meeting Room of the Main Port Warehouse.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the public comment period for items not on the regular agenda.

3. Mr. Don Ibsen, 2307 Highland Drive, Anacortes, addressed the Commission. Mr. Ibsen reported two incidents of aircraft coming in over their home near the top of the hill in Skyline earlier that day and not using the proper approach to the runway. He observed that years ago, planes had large numbers painted underneath the aircraft, but this was no longer the case, making it difficult to identify the plane for reporting. He asked the pilots to please obey the restrictions.

4. Mr. Ken Davies of Oak Harbor addressed the Commission. He noted that most pilots are required to practice and demonstrate proactive landings and emergency procedures. As long as this is done within the runway environment it does not pose a danger, however he understood how it could look that way. He believed this was most likely the case with the plane or planes in question. He noted that other area pilots fly out of Eisenburg field near Oak Harbor and that the port of Coupeville is looking into the possible purchase of that airport and have sent out a survey to area users. Eisenburg has both an AWOS and a GPS system.

Hearing no others wishing to address the Commission, the floor was closed.

Commissioner Niver inquired about the planned schedule for the replacement of E & F Docks at the Boat Haven. Executive Director Hyde explained that the Port will begin the design phase this summer and will be looking at fall of 2011 for the bonding process.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Hopley moved to adjourn, which was seconded by Commissioner Niver. Commissioner Rubin called for the vote on the motion, which carried 3-0 and at 7:59 P.M. the meeting was adjourned.

Attest:

Keith Rubin, Commission President

Pat D. Mooney, Commission Vice-President

Ray Niver, Commission Secretary

Steve Hopley, Commissioner

William L. Short, Commissioner

Julie Johnson Lindsey, Executive Assistant
March 18, 2010