

Port of Anacortes

Regular Commission Meeting Work/Study Session June 19, 2008

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 June 19, 2008. This was a regularly scheduled Commission Meeting held at the Commission Meeting Room of the Main Port Warehouse building, 1st & Commercial Avenue, Anacortes, Washington.

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

Also in attendance: Executive Director Bob Hyde, Director of Engineering Elsner; Director of Finance & Administration Johnson; Director of Operations and Facilities Hachey; Marina Manager Fowler, Project Manager Darden, and Administrative Coordinator Lindsey. Project Manager Dossen was present for the site tour of the Boat Haven.

CALL TO ORDER

At 7:00 P.M. Commission President Short called the regular meeting of June 19, 2008, to order and welcomed all in attendance. He announced that the Commission would begin the meeting with a site tour of the Cap Sante Boat Haven facilities and members of the public were welcome to attend. He noted no action would be taken during the tour.

REGULAR AGENDA

The Commission then departed to the Boat Haven where they toured P & Q Docks, E & F Docks, the central pier, the development area (the former Cap Sante Marine site), the outdoor room on the central esplanade, the Trailer Boat Launch, and the Fuel Float and south esplanade.

The Commission returned to the Commission Meeting room at 8:00 P.M. Commissioner Short thanked the Port staff for the tour and remarked on the many improvements that have taken place at the Boat Haven.

PRESENTATION

Executive Director Hyde presented Project Manager Becky Darden with the Port's Cost Cutter Award. He explained that Darden was chosen for the award for her diligence in keeping change orders for the redevelopment of the uplands at the Cap Sante Boat Haven to a minimum. Executive Director Hyde thanked Manager Darden for her outstanding work and presented her with a framed certificate.

PUBLIC COMMENT PERIOD

Commissioner Short opened the floor for public comment regarding items on the regular agenda.

1. *Mr Phil Elverum, 713 "W" Avenue, Anacortes, addressed the Commission. Mr. Elverum spoke representing the "What the Heck Fest" a "live festival for art, music, and film"*

event wishing to use the Main Port Warehouse. Now in its seventh year, the WTHF brings an estimated audience of 500 mostly young people to hear a variety of musical styles and view art and film displays. This year's WTHF will be held July 18th and 19th. In past years, the event has been held at the Dept. of Safety building. Mr. Elverum encouraged the Commission to approve the rental of the warehouse for this and other events.

2. *Mrs. Courtney Orrock, 4215 Marine Heights Way, Anacortes, addressed the Commission in support of expanded use of the Main Warehouse as a way to socially tie the Anacortes Community to the Waterfront. She noted that the expanded use and rental of the Warehouse would have appositive economic impact and provide an additional revenue stream to the Port.*
3. *Mrs. Bev Martin, 3810 W. 12th Street, Anacortes, addressed the Commission representing the DASH group. Mrs. Martin read from a prepared statement regarding the creation of a community center. The group's goal being the possible expansion of the assembly or lecture area shown in plans for the Marine Skills Center on the Port's Parcel One property. She stated the DASH group believed a community center that could hold 300 people could be funded through partnerships "with the Port, the City, the community at large, and other stakeholders," and cited the recent "Our Town. Our Park" and Island Hospital Foundation "Gala of Hope" as events that demonstrated the willingness of Anacortes residents to support projects that benefit the community. Mrs. Martin conjectured that if the Port were to donate property adjacent to the future Marine Skills Center, it would allow for expansion to a larger meeting facility.*

Hearing no others with a desire to address the Commission regarding the regular agenda, the floor was closed.

ACTION ITEMS

Resolution No. 1189 – Authorizing the Executive Director to Establish Rates, Policies and Procedures for the use of the Main Port Warehouse Facility -

Executive Director Hyde presented the item for the Commission. Following the discussion of use of the Main Port Warehouse by the Commission at the June 5th regular meeting, the item if approved, would authorize the Executive Director to establish rates, policies and procedures for the use of the facility, while respecting the activities of adjacent Port tenants. Presently the Main Port Warehouse on Pier 1 is used by certain community and non-profit groups as approved by the Commission. In considering an expanded use of the facility, the authority for establishing policies for use and/or rental would be delegated to the Executive Director, as is currently the case with the Port's Seafarers' Memorial Park Building a the south end of the Cap Sante Boat Haven. A suggested rate structure for rental of the facility was provided with the item and would be phased in over a two year period beginning in 2009. Those events already scheduled for 2008 would still be held at no charge. Additionally, with increased use of the facility, a fire detection and suppression system would need to be installed.

Commissioner Short called for any questions and discussion by the Commission, which included estimated costs of fire protection systems for all of Pier 1, inquiries regarding flooring options, the possible purchase of tables and chairs for rental, and the Port's lease with the Department of Natural Resources for non water dependent use.

Commissioner Short called for any further discussion. Hearing none, he called for a motion. Commissioner Rubin moved to adopt Resolution No. 1189, authorizing the Executive Director to establish rates, policies, and procedures for the rental of the Main Port Warehouse. Commissioner Mooney seconded the motion. Commissioner Short called for a vote on the motion, which carried unanimously.

Commissioner Hopley requested further discussion and wished to note that the Commission had taken action in May of 2004 and at the request of the Executive Director established selected group use of the Warehouse. Although the action was not adopted as a Port resolution, he believed the action was indeed the setting of policy regarding the warehouse use and that the text of the action item did not reflect that. Following additional discussion of the Warehouse facility and funding for its maintenance, the Commission moved on to the next item.

Resolution No. 1190 – Proposed Revisions to Moorage Rates for Cap Sante Boat Haven –

Director Hachey reviewed the item, also a topic of discussion at the June 5th regular meeting, for the Commission. He noted that for many years, the Boat Haven has had a complicated four tier rate structure system which has caused confusion and complaint by tenants. The four rate categories are broken out as Commercial Fishing, Commercial Marine, Commercial Industrial, and Recreational.

Director Hachey gave the definitions of each category for the audience and explained the current rates paid with Recreational moorage being the base rate, Commercial Marine, such as, but not limited to, boat brokerage and sales, excursion and tour boats, time share companies, passenger for hire boats, bare boat and skippered charter companies, and fishing and dive charter companies being 125% of the base rate, Commercial Fishing, those vessels engaged in active commercial fishing at least fifty percent of the days fishing as authorized by the government and having valid licenses and permits, with rates being approximately 40% of the base rate, and Commercial Industrial rates for vessels actively engaged in commercial activities such as, but not limited to, towing, marine construction, freight hauling, and oil spill response set independently of both the Recreational and Commercial Marine rates.

The recommendation before the Commission would establish the recreational rate as the Marina Base or “Standard” Rate, continue to discount the Commercial Fishing moorage based on Puget Sound market, increase the currently discounted Commercial Industrial rate over a two year period to meeting the Base Rate beginning in January 2009, decrease the Commercial Marine rate to the Base Rate, and place a 25% premium on all high visibility frontage slips on docks C through G, effective September 2008.

Director Hachey responded to questions from the Commission concerning impacts to year round moorage, methods of rate analysis, and calculations on a square footage basis.

With discussion concluded, Commissioner Short requested a motion. Commissioner Rubin moved to approve Resolution No. 1190, revising and establishing moorage rates at Cap Sante Boat Haven, effective September 1, 2008. Commissioner Mooney seconded the motion. Commissioner Short called for a vote on the motion, which carried unanimously.

STUDY SESSION

Property Tax

In beginning preparations for the 2009 budget process, Port staff requested Commission discussion regarding what direction they would like to see taken in regards to property taxes. Topics included a comparison of millage rates used in property tax levies among area ports in 2008, including the ports of Bellingham, Everett, and Skagit, a history of the Port of Anacortes tax collection from 1975-2008, and a comparison of those same taxes to show 2008 dollar value rates.

Executive Director Hyde reviewed the information for the Commission, noting that the assessment collected for the Port of .085 per \$1,000 of value was second lowest of any port in the state. He requested feedback from the Commission which ensued with discussion centering on the Port's Mission Statement and self sufficiency, the need to fund the replacement of E & F Docks at the Boat Haven, the public's desire for increased public access and the need to consider an increase in taxes in order to fund non-revenue expenses, the rising costs of land and the use of the Tax Fund in acquiring land for the use and benefit of the public, the need to see cost estimates for presented projects to aid in evaluation, and the budget process.

Six Year Capital Improvement Plan Review

Director Elsner led the discussion of this session with a report on current capital projects and receiving input regarding what projects and priorities the Commission would like to emphasize over the next six years. Director Elsner outlined the planning process and the major projects currently in inventory. A copy of Director Elsner's presentation will be attached to the approved version of these minutes. The Commission will visit this topic again at the July 17, 2008 Regular Meeting/Study Session.

Annual Review of the Port's Strategic Plan

Executive Director Hyde reviewed the current Strategic Plan as adopted by the Port Commission on September 23, 1993, with tenant no. 8 of the Mission Statement portion of the Plan amended on October 21, 2004. In addition to the Mission Statement, the Strategic Plan includes Business and Planning Principles; Critical Success Factors, Goals and Strategies – Port-Wide, and at each of the following operating areas – Marine Terminal; Airport; Marina; as well as Finance & Administration.

Executive Director Hyde requested Commission input regarding the current Strategic Plan. Several members of the Commission found discrepancies between current practices and the Plan, notably the annual review of Port goals and strategies, with the suggestion this be done each year at budget time.

COMMISSION DISCUSSION

Commissioner Short read aloud a letter from Mr. And Mrs. Ron and Sue Lang, who attended the recent Trawlerfest event, and who wrote thanking the Port and especially the Boat Haven staff for their wonderful service. Commissioner Short noted the letter was a testimonial to the quality and professionalism of the Port staff.

Commissioner Rubin noted that he has been asked to serve on a panel regarding Port Tax Levies at the annual Washington Public Ports Association (WPPA) Commissioner Seminar in July and that he would appreciate any input from his fellow commissioners.

Commissioner Hopley stated that he has been named by the WPPA to replace Larry Paulsen on the Governor's Climate Action Team for Ports, and that he has accepted. He noted that the position did not include any funding for what would be a significant amount of travel and accommodations. Commissioner Hopley requested that his incurred direct expenses in serving on the Action Team be authorized for reimbursement by the Commission.

After a brief discussion, Commissioner Mooney moved to authorize reimbursement of Commissioner Hopley's expenses for meetings he attends as named by the WPPA to serve as a member of Governor Gregoire's Climate Action Team. Commissioner Rubin seconded the motion. Commissioner Short called for a vote on the motion which carried unanimously.

COMMUNICATIONS

Executive Director Hyde displayed an attractive plaque presented to the Port by the Puget Sound Anglers as a thank you for support of the Anacortes Salmon Derby.

Executive Director Hyde wished to recognize that Marina Advisory Committee member Tony Bull was present in the audience following a period of convalescence and welcomed him back.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. The Regular Port Commission Meeting scheduled for July 3, 2008 will be cancelled. The next Commission Regular Meeting and Work/Study Session will be held on July 17, 2008 at 7:00 p.m.

PUBLIC COMMENT PERIOD

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

- 1. Mr. Tony Bull, 4605 Queen Anne Way, Anacortes, addressed the Commission. Mr. Bull was critical of the Commission for praising themselves for reducing the tax mill rate, believing if they and past commissions had maintained it at a steady rate there would be sufficient funds for needed projects. He foresaw the need for the Commission to raise the mill rate quite a bit in order to fund those projects identified in the comprehensive planning process, which he noted should have been completed long ago. Mr. Bull noted the amount currently paid was not much compared to the mill rates of other ports. He encouraged the Commission to look ahead, noting that sudden large increases were what caused public objection.*
- 2. Mrs. Robin Pestarino, 801 "E" Avenue, Anacortes, addressed the Commission, speaking as the President of the Anacortes Chamber of Commerce. Mrs. Pestarino spoke regarding the community center as presented by the DASH group earlier in the meeting. She noted the Executive Board of the Chamber had met yesterday and discussed concerns with private versus public ownership of such a facility. She explained that the Chamber would prefer that such a facility be privately owned and supported the current plan the Port had with the Marine Trades Skills Center. Mrs. Pestarino gave as an example the difficulty Spokane was having in keeping their new convention center filled. She wished to acknowledge that Mr. Kirk Kennedy had performed the due diligence feasibility study mentioned earlier in the evening.*

Mrs. Pestarino also addressed the subject of accessibility to the water and noted three sites, the area near Randy's Pier 61 restaurant, the Cap Sante Boat Haven, and Skyline Marina (which she acknowledged was privately owned), as areas for water access where she would like to see the boating public be able to boat to restaurants and walk to the business district. She wished the Commission to consider provisions for this type of accessibility and commended them on the improvements at the Marina and the decision to rent the Main Warehouse. In closing, she noted the DASH group's projected number for the 300+ person use of a community center were not supported by the Chamber of Commerce, further noting that only 382 rooms for rent existed on all of Fidalgo Island. The Chamber would like to see any future community center coupled with a hotel, not with the Marine Trades Skills Center.

Commissioner Short thanked the speakers for their remarks, hearing no others wishing to address the Commission, the floor was closed.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Rubin moved to adjourn, which was seconded by Commissioner Niver. Commissioner Short called for the vote on the motion, which carried unanimously and at 10:08 P.M. the meeting was adjourned.

Attest:

William L. Short, Commission President

Keith Rubin, Commission Vice-President

Ray Niver, Commission Secretary

Steve Hopley, Commissioner

Pat D. Mooney, Commissioner

Julie Johnson Lindsey, Administrative Coordinator
June 19, 2008