

PORT OF ANACORTES

Minutes-Special Meeting

June 7, 2010

The Port Commission of the Port of Anacortes held a Special Commission Meeting on June 7, 2010. The purpose of the meeting was for the Commission and senior staff to hold discussion session regarding business incubators. This meeting was held at the Commission Meeting Room of the Main Port Warehouse Building, 1st & Commercial Avenue, Anacortes Washington.

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

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Director of Operations & Facilities Hachey, and Executive Assistant Lindsey.

CALL TO ORDER

At 9:00 A.M. Port Commission President Rubin called the Special Meeting to order and announced the purpose of the Special Meeting. He noted that this was a round table format for the purpose of discussing business incubators.

SPECIAL AGENDA

DISCUSSION

Business Incubators –

Commissioner Rubin asked all present to take a moment to write down and then discuss what they wished to achieve in this meeting.

Executive Director Hyde wished to have firm direction on the use on not of an incubator policy. Commissioner Mooney wanted to obtain information and discuss the Port's assistance with starting or supporting new business of any kind, not just those that could be described as incubator businesses. Commissioner Short hoped to develop a plan to encourage business development that would lead to job creation. Commissioner Rubin wished to determine whether the Port needed a policy for incubator businesses and if so, determine what that policy would be. Commissioner Hopley felt the purpose was for the Commission to articulate a policy under which the Port would consider and reduce lease rates for perspective tenants. Commissioner Niver believed this meeting's discussion was to determine whether there is a need, define that need, and go from there to determine a policy. He preferred the term start-up to incubator. Director of Finance & Administration Johnson wished to obtain direction from the Commission on their plans for an incubator policy or other policy of that nature. Director of Operations & Facilities Hachey agreed that clear direction for Port staff, whether for or against an incubator policy was needed, and if a policy was developed it should have firm guidelines.

Commissioner Rubin opened discussion on determining whether an incubator or start-up business policy was needed or whether this authority was already delegated to the Executive Director in current lease policy. The Commission wished to encourage businesses that met a unique community need but might need assistance by way of allowing a catch-up period in the first few years of a lease without a separate policy or by having a separate policy where instead of paying the Port's usual 8.5% standard lease rate, lessees could equalize the rate over the entire lease period. Following discussion, it was the consensus of the Commission that a separate policy was needed for the latter. This led to a further discussion of what such a policy should include and the need for it to be predictable, uniform, and equitable.

The discussion then moved to setting policy criteria to qualify for a start-up or incubator business lease, including the following:

- Not competing with current private industry
- Creating jobs
- Providing a broad public benefit that is not currently provided
- Filling a unique community need
- Demonstrating a need for financing assistance via an incubator or start-up lease
- Profit versus non-profit
- Consistent with the Port's Comprehensive Plan
- Have a viable business plan

Also discussed were the criteria for lease rate reduction, market rate values and terms as follows:

- 5 year maximum reduction period
- Percent of reduction is less each year, for example 50% reduction in the first year and 10% reduction in the fifth year. This would be for Port staff to negotiate.
- Length of lease – work out that the return on market value equals 8.5% for all years at the end of the lease term.
- Proponent/applicant must be invested in the business

Commissioner Rubin requested that Port staff compile this discussion as a resolution for Commission consideration. Executive Director Hyde agreed that staff would bring a draft for discussion to the next regular Commission meeting.

Commissioner Rubin inquired whether the Commission wished for Executive Director Hyde, under the guidelines discussed, to negotiate with the Anacortes Small Boat Center (ASBC) group. Executive Director Hyde believed the ASBC would be interested in a catch-up plan which he could negotiate under current lease policy. Commissioner Hopley put forth that if this did not work for the ASBC that he would be inclined to have Executive Director Hyde move ahead using the guidelines discussed in this meeting. This met with the consensus of the Commission.

COMMISSION DISCUSSION

Commissioner Rubin called for any additional topics of discussion. None were forthcoming.

COMMUNICATIONS

Executive Director Hyde reported some organizational changes to the Commission.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. The next regular meeting and work/study session will be June 17, 2010 at 7:00 p.m. in the Commission Meeting Room. The Commission will hold a special meeting to continue strategic planning discussions on June 21, 2010 at 9:00 a.m. in the Commission Meeting Room.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the floor for public comment. Hearing no one with a desire to address the Commission, the floor was closed.

ADJOURNMENT

With no other business to discuss at this time, Commissioner Rubin called for a motion to adjourn. Commissioner Mooney moved to adjourn the special meeting. Commissioner Niver seconded the motion, which carried unanimously and the special meeting adjourned at 10:56 a.m.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice President

Ray Niver, Secretary

William L. Short, Commissioner

Steve Hopley, Commissioner

Julie Johnson Lindsey, Executive Assistant
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