

Port of Anacortes
Regular Commission Meeting
January 19, 2012

The Port Commission of the Port of Anacortes held its regular study session meeting at 7:00 P.M. on the evening of January 19, 2012. This was a regularly scheduled Commission Meeting held in the Commission Meeting Room of the Port Main Warehouse Building, 1st & Commercial Avenue, Anacortes, Washington.

In Attendance: Commission Vice-President Short, Commission Secretary Niver, Commissioner Rubin and Commissioner Eberle. Commission President Mooney attended via speakerphone.

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

Others in attendance included Port legal counsel Chmelik via speakerphone for the Executive Session.

CALL TO ORDER

At 7:00 P.M. Commission Vice-President Short called the regular meeting of January 19, 2012, to order and welcomed all in attendance. He noted Commissioner Mooney was present via speakerphone.

EXECUTIVE SESSION ANNOUNCEMENT

Commissioner Short announced that following the second public comment period, the Commission would take a short recess and then move into Executive Session for the purpose of discussing litigation or potential litigation with legal counsel and to consider a personnel issue. The Executive Session was anticipated to last for one hour and action might or might not be taken.

PUBLIC COMMENT PERIOD

Commissioner Short opened the floor for public comment.

1. Mr. Steve Orsini, 4971 Guemes Island Roar, Anacortes, addressed the Commission as Vice-Commodore of the Anacortes Yacht Club and local Lido fleet regarding the potential for an activity float or floats at the Boat Haven. Mr. Orsini endorsed the activity floats as a terrific idea from a small boat regatta standpoint since small craft could be stored on the floats at night and facilitate easier launching, making regatta attendance that much easier.

2. Mr. John Ripley, 2919 B Avenue, Anacortes, addressed the Commission. Mr. Ripley stated his business was selling boats and that he had started the Bayliner Rendezvous. He observed over the last ten years that Rendezvous had spent approximately \$80,000 - \$90,000 in holding their event at Roche Harbor, in part because of their having such floats for gatherings. He compared a marina not having an activity float to a lecture hall not having a lectern. Mr. Ripley noted Anacortes was perceived as the place to leave from to go to the San Juan Islands and that perception should be changed. He observed Anacortes has more options for boaters and most customers select a marina because of the quality its facilities. Mr. Ripley believed the addition of an activity float or floats at the Boat Haven would increase the number of visiting

boaters and boating groups with their tourism dollars being a huge asset for Anacortes. He noted one float would be a good start, but the ability to place two side by side would be better.

3. Mr. Warren Walz, 4509 Guemes View Drive, Anacortes, addressed the Commission. Mr. Walz noted he had been a member of the Anacortes Yacht Club since 1985, where he had served as a board member and for the past three years had served as cruise chair. Mr. Walz observed that Friday Harbor and Roche Harbor both had activity barges as did the Gauges and Ladysmith Marinas. Having these floats helped to create separate spaces for boating groups to gather before going downtown, much like providing an avenue to a destination. He noted the barges or floats had safety features such as guardrails and observed that having such floats would attract boaters to Anacortes.

4. Mr. Shawn Kelly, 1501 38th Street, Anacortes, addressed the Commission and concurred with the statements of the prior speakers. He believed Anacortes could be a prime destination for on-water activities and that an activity float would be an asset towards that end.

5. Mr. Phil Ratliff, of West Marine at 910 Commercial Avenue, Anacortes, addressed the Commission, stating an activity float would be a great asset for Anacortes and would attract more boating rendezvous. He noted West Marine would stay open later and offer special discounts to these visiting boaters.

6. Mr. Pat Barrett, 11987 Marine Drive, Anacortes, addressed the Commission in support of an activity float, agreeing with the concept of this type of facility bringing in more boaters. He urged the Commission to listen to Port staff and members of the community and involve them in the process of building and improving facilities, noting the Port had done a good job of this with stakeholders over the past 4-5 years.

7. Mr. Greg Mustari, 1019 Q Avenue, Anacortes, addressed the Commission. Mr. Mustari identified himself as a broker for Nordic Tugs, and stated he was very much in favor of having an activity float. Mr. Mustari explained he runs between 6-8 rendezvous, comprised of hundreds of people and an activity float would support what improvements the Port has already made at the Boat Haven.

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

CONSENT AGENDA

Commissioner Short read the consent agenda item: Action Item: Resolution No. 1244 – Addendum to the 2008 Comprehensive Plan, noting this had been discussed in depth at the January 5, 2012 meeting and public hearing. Commissioner Short called for any objections to the consent agenda. Hearing none, he called for a motion for approval of the consent agenda. Commissioner Rubin moved to approve the consent agenda. Commissioner Niver seconded the motion. Commissioner Short called for a vote on the motion, which carried unanimously.

REGULAR AGENDA

ACTION ITEMS

Acceptance of Department of Ecology Grant for Remedial Action -

Executive Director Hyde briefed the Commission on this item which requested Commission authorization for the Port's Executive Director to accept Remedial Action Grant Agreement #G1200297 with the Washington State Department of Ecology for \$4,500,000.

Executive Director Hyde explained this funding would allow the Port to continue its cleanup programs. The Washington State Department of Ecology (Ecology) and the Port of Anacortes (Port) have entered into several remedial action grant agreements over the past 10 years, resulting in cleanup actions at several of the Port's properties, most recently at the former Scott

Paper Mill site. The grant funds are made available through the Local Toxics Control Account (LTCA). Sites the Port has remaining include the former Shell Tank Farm site behind McDonald's, as well as the log pocket, and work on the Dakota Creek Industries site at the Marina Terminal. The cleanup efforts would include continued groundwater monitoring at the former Scott Paper Mill site, as well as the following tasks for the former Shell Tank Farm site, Dakota Creek Industries site, and Log Haul Out site

Remedial Action Grant Agreement #G1200297 has a total budget of \$9,000,000, of which \$4,500,000 (50%) will be reimbursed to the Port. This grant would provide the opportunity to continue the Port's cleanup efforts to include:

- remedial investigations/field studies
- cleanup action plans
- cleanup actions, interim and final (if required)
- work plans
- post-construction monitoring (if required)

Executive Director Hyde observed the Port had been very successful in partnering with the Department and Ecology and former site owner Kimberly Clark on completion of the largest cleanup in State history. In response to questions from the Commission, he explained the \$4,500,000 was the maximum remaining for funding and obligated the dollars from Ecology.

Commissioner Niver further clarified that the grant agreement provides matching funds up to \$4.5 million, with the Port performing the cleanups as it had funds available. This may include funds from other parties and also from insurance.

Commissioner Short called for a motion. Commissioner Eberle moved to authorize the Executive Director to accept Remedial Action Grant Agreement #G1200297 with the state Department of Ecology for \$4,500,000. Commissioner Rubin seconded the motion. He noted that the Port and Port staff and negotiating team had done a tremendous job of finding matching funds from past insurance as well. He further observed the Port is considered an environmental leader in the state of Washington and congratulated staff and the Port's negotiating team. Commissioner Mooney concurred Commissioner Niver commended Ecology for holding onto their Model Toxics Control Act (MTCA) funding for these projects, noting the Port is the last recipient of MTCA funding from Ecology who kept their commitment to the Port's approved cleanups. Hearing no further discussion, Commissioner Short called for a vote on the motion, which carried unanimously.

Activity Float for the Cap Sante Boat Haven -

Executive Director Hyde noted the staff had researched some other Puget Sound marinas with activity floats and found them to be booked solidly, even in the shoulder seasons. Examples given included DesMoines, Roche Harbor, Port Orchard and Friday Harbor. He reported that a survey had been sent to 64 yacht clubs and boating groups in western Washington regarding activity floats with 13 responses received thus far. Of those, 81% indicated they either had or would like to have such a float or floats to enhance their business.

Executive Director Hyde introduced Director of Operations & Facilities Hachey who reviewed the item for the Commission, requesting authorization to proceed with construction elements associated with procurement and installation of the activity floats as part of the E & F Dock Replacement Project. Director Hachey explained that because of the effective management of

the E & F Dock project; approximately \$225,000 remained in the construction allowance budget. With dock replacement underway and nearing completion, there is an opportunity to add procurement and installation of the activity floats at a cost savings while the contractor is still on-site. Staff proposes two concrete monolithic float modules sized 20.5' wide and 50' long. Each float would have a prefabricated canopy tent structure mounted on it, electrical service, and the freeboard of the activity floats would match those specified for the new E & F Docks. The activity floats would be moored at E dock south finger piers and/or D dock north finger piers. The work would be conducted via change order to the remaining construction allowance budgeted and approved by the Commission in April of last year. Projected costs are \$165,000 for the floats, plus Washington state sales tax, for a total authorization of \$178,530.

Discussion ensued with Director Hachey and Executive Director Hyde responding to questions regarding cost savings (approximately \$121,000) the advantage of doing the floats as part of the E & F Docks project, the need for marketing the floats at the Seattle Boat Show if approved, and the fees that might be charged, especially in the high season, for use of the floats. Commissioner Niver raised concerns over whether the activity floats would take away from downtown businesses, as was mentioned during the Commission's Community Roundtable Meeting. Executive Director Hyde reported the Port would host a connections meeting on February 8th at Anthony's and he encouraged those interested to attend. Commissioner Rubin noted that the activity float project was included in the 2008 Comprehensive Plan and had come up several times in budget discussions. Commissioner Niver stated he would have preferred an all-stakeholder's process and for that reason, he would not vote in favor of the activity floats.

Director Hachey noted that Port has made gradual changes to its operating philosophy at the Boat Haven, noting the benefit of additional transient boaters and groups, such as Trawlerfest, to the community. The Port is working to attract more boaters, another benefit of which is increased fuel sales and the stretching of the boating season using rendezvous packages. Commissioner Eberle found the cost savings and increased potential moorage brought about by the project, which was included already in the Comprehensive Plan, outweighed the need for a long analysis. With discussion concluded, Commissioner Short called for a motion. Commissioner Eberle moved to authorize a construction budget totaling \$178,530 to be spent from the remaining E & F Docks Replacement Material Procurement Construction allowance, for fabrication and construction of the activity floats at Cap Sante Boat Haven, Project #CSBH-08C".the Executive Director to surplus and sell the vessel Protector that is no longer needed for Port purposes. Commissioner Rubin seconded the motion. Commissioner Short called for a vote on the motion, which carried 4-1 with Commissioner Niver opposed.

STUDY SESSION

Transit Shed User Survey -

Executive Director Hyde shared the results of a survey sent to the users and renters of the Transit Shed. Survey questions included inquiries about the renters liked best and least about the facility itself, the restrooms, electrical capacity and so on, with 85% extremely satisfied and 15% moderately satisfied.

Those amenities liked best by renters included the character of the building and flooring, the Port staff, location, flexibility of use, view of Guemes Channel, the large amount of space (approximately 90,000 square feet and with 30' Ceilings) and the affordable costs. Liked least by survey participants was the lack of electrical outlets, limited access for vendor vehicles, having to

rent port-potties, the trip hazard for high heels, small number of bathrooms, lighting, and small kitchen facilities.

Most important in the decision to rent the Transit Shed were the rates, no catering requirements, alcohol permitted with a permit, adequate parking, restrooms, decorations permitted, tables and chairs for rent as well.

When asked what improvements would make their experience better in renting the Transit Shed, most indicated a desire for less or more lighting, and bathroom upgrades.

Executive Director Hyde noted staff would bring additional information to the next meeting and would continue to report on survey results as they became available. Commissioner Niver stated that in examining making any possible changes the Port should also review the future plans for Pier One. Commissioner Rubin observed the zoning for the Transit Shed could be hard to protect for manufacturing when it was not used for such. Commissioner Eberle noted that if a manufacturing opportunity arose, the Port could consider it as well. Commissioner Mooney related that in the meantime use of the Transit Shed was good public relations for the Port.

COMMISSION DISCUSSION

Anacortes Airport Masterplan-

Director Hachey presented performance indicators for the Airport. The number of commercial flights and passengers are down, as are parking revenues, tie-downs, and fuel sales. The Fixed Based Operator (FBO) is San Juan Airlines. Director Hachey noted the FBO was running about half charter and half commercial. Aviation statistics as a whole are dropping as there are fewer pilots, and the cost of fuel is quite high. While the Masterplan was intended as 20 year guide, there is no requirement for such a plan at this time. In light of these statistics and the additional existence of the Airport Layout Plan, the Comprehensive Plan and the Port's Agreement with the City in regards to the Airport, Executive Director Hyde proposed no updates be made at this time to the Airport Masterplan. Commissioners Rubin and Short agreed. Commissioner Rubin noted he would like to see help for small businesses at the Airport.

Commissioner Mooney stated he would like to discuss the AWOS system and assistance for pilots to make the Airport even safer. He believed this would be funded 90% by the FAA, however, its installation would require an update to the ALP. Commissioner Niver stated there was a lack of funding from the FAA at this time. Commissioner Mooney requested it be placed on the agenda for the first meeting in March.

12 for 11 Moorage Rate Plan -

Director Hachey reviewed the Plan, under which moorage customers can pay for eleven months of their moorage in advance and receive their twelfth month free. The majority of the users of the plan in 2011 were 40' slip customers. Total revenues received were \$163,233, and the discounts given totaled \$16,059. The advantage to the plan for the Port is receiving the moorage upfront and having the use of those funds for a year, and not having to bill and collect funds each month. A total of 40 customers used the plan in 2011 with three new moorage tenants gained as a result. Staff would like to run the plan for another year and then work on developing long-term lease incentives.

Executive Director Hyde stated staff will have a short action item at the next meeting for continuation of the plan for another year.

Other Discussions –

Commissioner Rubin noted the actions of the Commission earlier in regards to the activity float were in his opinion working in the realm of what the Commission had previously considered staff's work. He stated he would like to see a line drawn clearly for staff's direction on where their work and the Commission's work lies.

Commissioner Short observed that one of the goals of the Port was for the Boat Haven to be the most successful marina in Puget Sound. To reach that goal, he believed the Port needs to be innovative and the activity float is one aspect of that. Also the addition of two more concerts in the summer concert series this year would attract visitors. Future projects he would like to see explored would be a Captain's Lounge and a miniature putting green or croquet court. The message being, when you come to Anacortes, you will have a good time. Commissioner Short noted the activity float was in the Comprehensive Plan and had been discussed for some time.

Commissioner Rubin believed it would be challenging to evaluate the success of the Executive Director at the end of the year if the Commission would only be grading him on the projects they had told him to do. Commissioner Short disagreed, noting that if Executive Director Hyde had found the activity float project to not be cost effective, the Commission would have considered not doing it. Commissioner Mooney noted the Commission was made up of five Commissioners from different backgrounds and theories and he believed this produced a better product with five minds building it.

COMMUNICATIONS

Boating Rendezvous - Executive Director Hyde reported the Boat Haven was already booking rendezvous for boating groups for 2012 and had booked 9 new groups as a result of the Port's marketing efforts.

Monthly Projects Tour - The next tour of Port projects will be held February 13th, 2012, starting 4 p.m. at the Harbor Master's office, 1019 Q Avenue. The tour will visit the now nearly complete E & F Docks at the Boat Haven.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. The first regular meeting in February is scheduled for February 2nd at 7:00 p.m. Paul Sorenson of BST Associates will give a presentation regarding future trends in boating. The Commission will hold a Special Meeting – Connectivity discussion on February 8th at 4:00 p.m. in the meeting room at Anthony's. The Commission's second regular meeting for February will be on the 16th at 7:00 p.m.

Commission Retreat – Commissioner Rubin noted a date was needed for the upcoming annual Commission retreat. Executive Director Hyde stated staff would review this and bring back some possible dates to the Commission. Commissioner Niver suggested the Commission review some of the discussion from this meeting, including having a more transient focused outlook at the Boat Haven.

PUBLIC COMMENT PERIOD

Commissioner Short opened the public comment period. Hearing no one with a desire to address the Commission, the public comment period was closed.

Commissioner Short announced the Commission would take a short recess before entering into Executive Session to discuss litigation or potential litigation and a personnel issue with legal counsel. The Executive Session was anticipated to last for one hour and action might or might not be taken. The meeting recessed at 9:04 P.M.

EXECUTIVE SESSION

At 9:12 P.M. the Commission entered into Executive Session. At 10:10 P.M. the Commission came out of Executive Session and resumed the Regular Meeting. Commissioner Short announced that no action would be taken at this time regarding the items discussed.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Niver moved to adjourn, which was seconded by Commissioner Rubin. Commissioner Short called for the vote on the motion, which carried unanimously and at 10:11 P.M. the meeting adjourned.

Attest:

Pat D. Mooney, President

William L. Short, Vice-President

Ray Niver, Secretary

Bob Eberle, Commissioner

Keith Rubin, Commissioner

Julie Johnson Lindsey, Executive Assistant
January 19, 2012