

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
SPECIAL MEETING**

Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA
Thursday, January 21, 2016 at 3:00 p.m.

AGENDA

SPECIAL MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE (3:00 p.m.)

Fairgrounds

South Whidbey Harbor

Clinton Market Study

ADJOURNMENT (Approximately 4:45 p.m.)

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

January 21, 2016

Freeland, Washington

Commissioners Present: Ed Halloran (Langley), Curt Gordon (Clinton) and Jack Ng (Freeland)

Port Staff: Angi Mozer (Executive Director), Molly MacLeod-Roberts (Port Clerk), Duncan McPhee (Harbormaster), and **Consultants** Melene Thompson (Fairgrounds Property Manager) and Marty Matthews (Fairgrounds Business and Marketing Plan Study)

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Thursday, January 21, 2016, in the Port office conference room at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting was for the Commission to address the items on the Agenda. Although the Meeting was of course open to the public, it was scheduled primarily for Commission consideration, discussion and action on those specific issues and public participation was not on the Agenda.

Commissioner Ed Halloran, President, called the Special Meeting to order at 3:00 p.m., followed by the Pledge of Allegiance. The Commission agreed to re-order the Agenda to allow the Clinton Market Study consultants to present first.

CLINTON MARKET STUDY: Tom Beckwith and Steve Price of Beckwith Consulting Group were on hand to provide an update on their work to date. They have formalized the three appendices on the results of the workshops, the population projections on the socio-economic characteristics, and the retail projections. Beckwith has not yet summarized or analyzed the results of the 4 internet surveys because they are still coming in. Completed surveys to date:

- South Whidbey Residents: 328
- Clinton Property Owners: 26
- Clinton Business Owners: 5
- South Whidbey Visitors: 18

Per Executive Director Angi Mozer's request, Beckwith will provide the most recent (actual) survey results prior to the Clinton Community Council meeting on Monday, January 25th.

Mozer and Commissioner Curt Gordon met with transportation consultant Mike Mariano (Mariano & Associates, Inc.) and the local representative for the Washington State Department of Transportation (WSDOT). During the meeting, it was noted that there still isn't agreement as to what are the boundaries of Clinton. Is it the 98236 zip code? The water district? Just the downtown RAID (Rural Area of Intense Development)? Gordon noted the next action item is to meet with representatives from WSDOT and Island County Public Works regarding the feasibility of Beckwith's roundabout concept.

Beckwith analyzed Clinton's retail potential and provided the Commission with copies of the Retail Recruitment Strategies based on that analysis. The most vital recruitment principles to pursue quality retail tenants are the following:

1. Define expectations
2. Involve property and business owners
3. Identify, cultivate and attract tenants
4. Market Clinton
5. Expedite public approvals

Price and Beckwith briefly summarized the retail development action tasks for each of the five strategies and provided examples for the Commission to review. The consultants agreed they would be “on hold” while other meetings take place.

As the Commission previously agreed, Gordon met with transportation consultant Michael Mariano of Mariano & Associates, Inc. Gordon was very impressed with Mariano’s background as both a P.E. (Professional Engineer) and a transportation planner. Subsequent to the meeting, Mariano & Associates submitted a draft Consultant Agreement for SR525 Corridor Strategic Planning to provide strategic transportation policy, planning, and engineering consultation on topics of interest to the Port, to include identifying funding opportunities for specified transportation projects. The maximum total amount payable under the Agreement shall not exceed \$5,000 unless supplemental agreements for extra work have been negotiated and executed by the Port.

Commissioner Ed Halloran requested the following changes:

- Page 2, 1st line: “...*CONSULTANT as an independent AGENCY agency shall be set forth...*”
- Exhibit A – Scope of Work, Task 1: Remove “*Estimated TASK Budget is \$1,500 including travel and materials. Total authorized including this Task is \$1,500.*” Reword it using hourly billing language instead.

The Commission agreed to the changes.

As part of the Scope of Work, he’d like Mariano to provide a milestone schedule. Executive Director Angi Mozer explained that the contract is currently structured on an “as needed basis” with specific tasks to be defined, because the Port is just now getting ideas from Beckwith and figuring out if they are feasible. The Port doesn’t have all the information to even define what the specific tasks will be so a schedule can’t be set. As the tasks are developed, Mozer said the Port will be able to get a schedule for those tasks. Halloran said he’d like to have regularly scheduled meetings with Mariano to get updates and make sure everything is on track, and Mozer agreed.

ACTION: A Motion was made by Gordon and seconded by Commissioner Jack Ng to approve the Consultant Agreement between the Port and Mariano & Associates, Inc. with the changes discussed for the SR 525 Corridor Strategic Planning Project. The Motion passed unanimously.

Mozer was directed to make the changes and authorized to sign the revised Agreement.

Gordon noted that there are some individuals pushing to change the name of the Clinton Ferry Terminal to the Whidbey Island Terminal instead, and he is **not** in favor of that change. It could be called Clinton (Whidbey Island), but he believes Clinton needs to stay as “top billing.” Halloran noted that at the recent community meeting, it was clear there was no consensus to change the name. Gordon is the Port’s representative on the Clinton Community Council, and the topic will be discussed at the Council’s next meeting. Ng pointed out that the Port is spending money to help with the economic development of Clinton, and removing the name from the ferry terminal would be counter-productive to that investment.

ACTION: A Motion was made by Gordon and seconded by Ng for the Port take the position that the name of the ferry terminal in Clinton retains the name “Clinton” as its first identifier. The Motion passed unanimously.

FAIRGROUNDS: Mozer said it’s time to begin discussing the future of the Fairgrounds with Island County now that the Fairgrounds Business & Marketing Plan Study has been completed by consultant Marty Matthews.

Gordon said the last 9 months (since April 1, 2016) of managing the Fairgrounds went relatively well. The Fair Association's fiscal year was Oct 1, 2015-Sep 30, 2016. The Fair Association made a profit, and the profit would have been even greater if they hadn't been responsible for the property management for the first six months of their fiscal year. He believes the Port is the best long-term steward for the property. On a practical level, Gordon said that without any additional funding from Island County (RCEDF, etc.), it is going to cost the Port approximately \$100,000 to manage the property. Even if the Port doesn't immediately address the capital improvements laid out in the Plan, a budget cushion of \$150K-\$200 would be needed for everyday management with minor upgrades, etc.

When Island County took ownership of the Fairgrounds property, it was agreed that it would be not be sold or transferred without a vote by the public within the South Whidbey School District's boundaries (which are identical to the Port District's). Gordon proposed starting negotiations with Island County for the Port to manage the property for another year, and at the same time suggest a ballot measure for the August election that would approve both the transfer ownership of the property from Island County to the Port and approve an increase of the Port's levy by 5 cents per thousand. The levy increase would provide an additional \$175,000-\$200,000 per year for management of the Fairgrounds.

Halloran agreed that with a revenue stream, the Port with its mission of economic development is the best long-term steward for the property, and that from a financial standing Island County is the worst. Ng was in favor of signing an additional one year lease with the County with the same terms. He liked the idea of going to the voters for approval of the transfer of ownership and increasing the levy rate to provide the necessary future funding. Mozer noted that if the ballot measure was approved in August, the Port would not receive the property taxes until April 2017, so the Port would need to ask the County now for the \$100,000 from the Rural County Economic Development Funds for that additional year of management. Gordon agreed, adding that the Port would want to commit to the full year of managing the property regardless of the outcome of the election.

The Commission agreed they should meet individually one-on-one with the Island County Commissioners to begin the discussion. Gordon suggested Mozer put together a general consensus packet outlining the most critical items with supporting backup information so the Port Commissioners are all working from the same page during the one-on-one meetings. The Commission agreed the consensus packet/position paper will highlight the following:

- Port is interested in additional one-year management lease; will need help financially (RCEDF)
- Beyond the additional year, the Port is interested in ownership of the property *only if the public supports it.*
- Port wants to know the County would support the transfer of ownership and going to the voters for approval of that transfer and increasing the Port's levy.
- Summarize long-term plans and provide backup data.


SOUTH WHIDBEY HARBOR: Harbormaster Duncan McPhee drafted a policy for Commercial Use of Port Property at South Whidbey Harbor at Langley. The draft policy included a Hold Harmless Agreement and a Vendors Information Sheet. In order to conduct commercial activities on Port-owned property, applicants would be required to provide the following:

- Valid business license
- Proof of insurance of not less than \$1 million (general liability), with the Port named as additional insured (once use is approved)
- Description of business activity
- Completed Vendors Information Sheet
- Signed Hold Harmless Agreement

Gordon believed the Policy and Hold Harmless Agreement should be a stand-alone document that the Commission would consider for approval separately from the Application, which would require applicants to submit a parking, beach and dock use plan for Harbormaster approval. Noting that members of the public had previously indicated interest in this topic, the Commission also agreed to postpone consideration of approval until the regular February meeting and to publish the draft policy and procedures to the agenda distribution list.

ADJOURNMENT: The Special Meeting was adjourned at 4:40 p.m.

Approved:




Commissioner Ed Halloran, Langley

Minutes reviewed by:



Angi Mozer, Executive Director

Commissioner Jack Ng, Freeland


Commissioner Curt Gordon, Clinton

Public Disclosure Statement: The foregoing Meeting Minutes, audio recording and all supporting documents presented are available at the Port of South Whidbey, 1804 Scott Rd., Suite 101, Freeland WA 98249.