

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
WORKSHOP and SPECIAL MEETING**
Held in Banquet Room of China City, 1804 Scott Rd, Freeland, WA
Thursday, September 5, 2013 at 6:30 p.m.

AGENDA

WORKSHOP (6:00-6:30 PM): Informal discussion of recent correspondence and project status

SPECIAL MEETING

CALL TO ORDER and PLEDGE OF ALLEGIANCE (6:30 p.m.)

Port Strategic Plan: Review draft Strategic Plan with Makers Urban Architecture and Design (6:30-7:30 p.m.)

Port Comprehensive Scheme for 2013-2019: Review draft Project List with Makers (7:30-8:30 p.m.)

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

September 5, 2013

Freeland, Washington

Commissioners Present: Curt Gordon (Clinton), Dennis Gregoire (Freeland) and Chris Jerome (Langley)

Others Present

Port Staff: Ed Field (Port Operations Manager), Angi Mozer (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk) **Others:** Julie Bassuk, Gerald Hansmire and Betsy Jacobson (Makers Architecture and Urban Design, LLP), Paul Sorenson (BST Associates), Jim Sundberg (Langley Councilmember), Celeste Erickson (South Whidbey Record) and Margot Jerome (Langley resident)

MEETING CALL TO ORDER: Following a Workshop from 6:00 p.m. to 6:50 p.m. for informal Commission review and discussion of recent correspondence and status updates, the Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Thursday, September 5, 2013, in the Banquet Room of China City at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting was for Commission and Staff review, discussion and direction on the draft Strategic Plan and the draft Comprehensive Scheme project list. Although the Meeting was of course open to the public, it was scheduled primarily for Commission and Staff consideration of those specific issues and public participation was not on the Agenda.

Commissioner Gordon, President, called the Special Meeting to order at 6:50 p.m., followed by the Pledge of Allegiance.

PORT STRATEGIC PLAN – Review draft Strategic Plan with Makers: Julie Bassuk explained that Makers hopes to do three things at this meeting:

- 1) Give the Port a chance to “pick the brain” of Paul Sorenson (BST Associates) regarding the “Economic Trends in the Port of South Whidbey” report he prepared. (Note: The Commission discussed Sorenson's study at the Special Meeting on August 27th and it is attached to those Minutes as Exhibit C, on file at the Port office.)
- 2) Makers will “hit the high points” of the Strategic Plan and then take questions and comments, and figure out the steps needed to finalize that document.
- 3) If time permits, review the draft project list for the Comp Scheme.

Subsequent to the August 27th Special Meeting, Port Finance Manager Angi Mozer had compiled and submitted the Commissioners' questions regarding the economic study to Paul Sorenson. He provided written copies of his responses (**EXHIBIT A**), summarized here:

Clarification of Slide 10

Question: It appears that many people have multiple sources of income.

Response: It is typical for households to have several forms of income. Approximately 71% of the households in the Port district have income from earnings, so 29% have no income from earnings but rather rely on investments, social security and/or public assistance.

Clarification of Slide 14

Question: Explain the differences between the graphs, and how we might be able to get more of our residents fulfilling the jobs offered here. Also, of those commuting to Whidbey Island for work, where are they commuting from? How many jobs in the Port district are we talking about (hundreds?)?

Response: In 2011, there were 13,485 residents of the Port in the labor force (age 16 and older) or approximately 88% of the population. Of those, 7,659 were employees and an estimated 1,835 were self-employed. Of the employees, 1,702 lived and worked in the Port and 4,122 lived in the Port but worked outside of the district, including other parts of Whidbey Island as well as off-island.

Overall unemployment rate in the Port district was estimated at 5.1%. The rate for residents aged 16-24 was very high (between 17.3 and 19.1%) but the rate for residents aged 45-54 was very low (1.1%).

The high ratio of residents who want to work but need to commute to other areas suggests lifestyle choices and a lack of job opportunities.

Of the 3,165 jobs in the Port district, 1,702 were taken by residents and 1,463 came from outside the district. Probably related to a mismatch between jobs (and wage rates) available and jobs sought.

Clarification of Slide 22

Question: Discussion of the 100% increase of population in summer months, and what opportunities that might provide to us. Are our boating facilities adequate for these people?

Response: The Port is heavily invested in boating facilities, should exercise caution about new boating facilities due to changing demographics. There appears to be several redundancies in provision of boating facilities (Parks & Rec District, Port, County...). Also, the County Rec plan suggests that boating in the Port district is adequately provided for.

Looking at the Port's assets right now, Sorenson thinks the Port is probably too heavily loaded towards boating facilities. Although BST does a lot of boating and marina studies, no one has conducted studies or created a database about boat ramps (how often used, who are the users, etc.) so the tracking doesn't exist. There are real issues with boating currently, including decreased boat sales and the increasing average age of boaters - pushing 60 years now. Sorenson cautioned, *"If there's a real expensive facility you have that is a boat ramp, you really should consider whether you should do that there or not, or whether your money is better spent on something else. Just because you have facilities is not a reason to keep them unless you really know there is a constituency demand."*

Commissioner Dennis Gregoire argued that people live in and come to South Whidbey to use the boat ramps. Island County Parks Element conducted a recreational survey and provided information for preferred rank and latent demand. Power boating and sailing were ranked 17th and 21st, respectively. Canoeing and kayaking have the most significant latent demand of the 24 recreational activities. The most popular activities involved walking, bird and wildlife watching, etc. Sorenson added that boat registrations per capita are falling, particularly for smaller boats that are launchable at boat ramps.

Other General Items

Question: If we want to cater to our population rather than change it, what can we do? E.g. will you expand on our specific opportunities such as parking in Mukilteo, getting Sounder to run on weekends, etc.?

Response: Requires additional work. Efforts to create additional jobs could include the following: water-dependent manufacturing, water-dependent commercial, commuters (partner to provide passenger ferry moorage, develop park and ride lots, etc.), high tech manufacturing, professional services, tele-commuters and other like services. This could entail allowing facilities to be used, partnering to improve site access and/or help construct an incubator building or other efforts. These proposals should be considered within the context of three questions:

- Does the project support the Port's primary vision?
- Is it best for the Port to be in lead position or a support player?
- What is the level of financial risk (can the Port afford to be involved)?

Examples from other areas were presented, including the Confluence Technology Center built by the Port of Chelan County and co-owned with Chelan County's Public Utility District, Prosser Vintner's Village (a 32-acre site designed around the winemaking industry), the Port of Walla Walla's Incubators for wineries, and others.

Commissioner Chris Jerome said that the Port provides grants every year for tourism and economic development, and some of the grants go to organizations that support local agriculture. He noticed that several of the examples provided involve wineries, and asked Sorenson: *“In general, do you think that supporting wineries or other agricultural products and their processing and marketing is an opportunity for us?”* Sorenson said yes, it should be certainly be considered. Bassuk said tourism should absolutely be included.

Gregoire said he appreciated the part that said the Port needs to support and facilitate the economic engine that is here. He believes the people who rent vacation homes here come here with their boats, only to discover they can only launch their boat at Mutiny Bay boat launch during a couple of hours, so they don't come back to Whidbey Island. To him, the boat launches are the supporting infrastructure for that tourism activity.

Sorenson said there are really some great opportunities, but nothing is going to be really easy. The Port is a small port district with a small budget that is heavily loaded toward property taxes. He said, *“So it's going to take incremental steps and really having partnerships laid in where you can support others and they can support you. I worry about the boat ramps and the Port's focus on them. Whidbey Island, and especially South Whidbey, is probably more over-represented in terms of the number of boat ramps per capita, even with seasonal population and boat ownership, than any place that I know of in Washington State.”*

Bassuk referred the Board to their copies of the draft Strategic Plan (**EXHIBIT B**) which they received last week. She explained that the idea of the Strategic Plan is not to have a novel but to have something that is useful and user-friendly. She will bring in the key points of the Port community and the Port itself and then get into the Port's draft Goals & Objectives. Bassuk welcomed any overall questions and comments during the meeting, but suggested the more detailed, editorial comments could be passed on to Finance Manager Angi Mozer, who can then compile and forward them to Makers.

Through the process of interviewing Commissioners, Staff and key stakeholders and site visits, Bassuk said what they heard is that although individual Commissioners might individually prioritize certain areas of focus more than others (not all of one voice), all three Commissioners came back to the same four themes. Makers provided the following Summary of Goals in the draft Strategic Plan (not prioritized):

- Goal 1: Enhance the Island's economy
- Goal 2: Maintain and protect waterfront public access and recreational opportunities
- Goal 3: Improve the Port's financial performance
- Goal 4: Enhance community relations and partnering

Bassuk provided a brief review of the objectives of each of the goals. For Goal 1, Jerome said he would like the objectives on page 12 to tie in better with the Opportunities under Planning Considerations on page 9 of the draft Strategic Plan. Additionally, under Opportunities it states *“Consider diversifying activities to support economic development in the following sectors...”* He would like that changed to read: *“The Port **should** diversify activities to support...”* Also on page 12, Gregoire proposed adding “public-public” to objective c.: *“Pursue public-private and public-public partnership opportunities...”*

Gregoire said the Port should participate in and facilitate the Scenic Byway study that was dropped in 2006. Bassuk said she would argue that given the Port's bandwidth in terms of staff time and what the Commissioners already put into the Port and given the amount of discretionary budget available, a really good idea to come out of the Comp Scheme would be to *focus* on your priorities.

For Goal 3, Jerome noted that the Port is trying to get its facilities be profitable or at least revenue-neutral and he'd like to add that as an objective. The Commission agreed and Bassuk said she would add it.

PORT COMPREHENSIVE SCHEME FOR 2013-2019 – Review of draft project list with Makers: Bassuk began by reviewing the Working Assumptions for Discussion (**EXHIBIT C**). She explained that the project selection and prioritization will be based on the following:

- a. Project’s support for the Port’s primary mission and/or strategic goals
- b. Ability of another agency or the private sector to provide the service
- c. Level of financial risk/opportunity cost

Financial assumptions for planning purposes are as follows:

- a. The Port will continue to retain its cash “emergency fund” on or about current levels
- b. South Whidbey Harbor
 - i. Revenue is likely to grow with increased transient moorage and increased rates
 - ii. O&M costs for this facility are also likely to grow
 - iii. For the foreseeable future, invest any surplus into coordinated planning and site development
- c. The Port is assumed to have an average investment fund of approximately \$50,000 per year
- d. Port staff has the bandwidth to take on two to three major efforts a year (in addition to typical work)

For Boat Ramps and Other Fixed Expenses:

- a. Annual maintenance and operating costs for Port-owned boat ramps and parking lot are a given
- b. Major repairs and upgrades for Port-owned boat ramps are a priority
- c. Annual maintenance and major repairs/upgrades for jointly-owned ramps are up for discussion

Makers provided a brief review of the Working Draft Project List (**EXHIBIT D**) they had prepared. The draft provided estimated Port costs for Annual Maintenance and Operation and Capital Investment (Projects and Studies) for current and near-term. Potential Initiatives Near-Term and Potential Capital Investment (Projects and Studies) Medium to Long Term were also provided, with estimated costs for the capital investments.

Bassuk explained that the idea is to provide the Port with a list and get Commission feedback as to what they want to prioritize first, add anything Makers forgot, include something but move it to longer term, etc. Their goal is to give the Port a sort of working template to then help the Commission make some decisions about how to focus.

During the discussion that followed, the Commission agreed to the following:

2013 Capital Investment (Projects and Studies) Near Term, a. South Whidbey Harbor:

The second item “*Investigate bank stabilization along access road (Wharf St.)*” with an estimated Port cost of \$10,000 should be removed, since it is not the Port’s property and not the Port’s financial responsibility.

The first item “*Update Master Plan coord. w/City of Langley Waterfront Plan*” has an estimated Port cost of \$50,000, and estimated other funds of \$25,000. Jerome said he would like those numbers flipped with the Port’s cost only \$25,000 because the City should take the lead. Gordon agreed.

2013 Capital Investment (Projects and Studies) Near Term, c. Jointly-owned boat ramps with estimated Port costs of \$10,000 each for Freeland, Maxwellton and Mutiny Bay: Since the Port is not responsible for maintaining those boat ramps, Gordon and Jerome agreed they did not want anything in the Comp Scheme that indicates they might consider doing that.

Bassuk suggested the Commissioners take the Working Draft Project List home to review it and then provide feedback to Mozer who will forward their comments to Makers. As she concluded the presentation, she provided two additional Potential Initiatives to Generate More Economic Development Capital for the Commission to consider: 1) Analyze future and cost benefits of boat ramp resident

managers versus potential income from structures (vacation rental by owners, etc.) or other upland uses and 2) Revisit levy rates to create an economic development fund.

Bassuk said, *“Final point is this draft idea: The maintenance and the workload of the Port is encompassing your Staff and your budget right now. And given where you want to go, it might behoove you if you have either a contract or a part-time additional staff for a period of time to focus on the relationships, the coordination and the grant writing. For example, if you were going to gear up to do a push for economic development and manage both the study about it as well as form the relationships with the County, City, etc. and you were going to reach out to industries – those are large time intensive efforts and somebody with expertise that could focus on that for you for a specific period of time with a specific goal in mind would be something worth considering.”*

Gregoire noted that one of the medium to long term capital investments was an upland redevelopment study for Mutiny Bay and Maxwellton. He believes it should be done at the South Whidbey Harbor, because in his opinion, urban harbors don't have the type of shoreline that exists in Langley. He said the upland that exists is minuscule and includes a park (Phil Simon Park). He wants the Port to reclaim the edge with wharves, etc. The park, the restrooms, the harbormaster office – everything related to the marina goes on the new wharf over the water because it is water-dependent accessory use to the marina and that would clear the upland for vehicles instead of activities that he doesn't think should be there. He concluded, *“That's the study that should be done.”*

Gordon asked Gerald Hansmire of Makers to share his thoughts. Hansmire said the Commission needs to keep focused. He noted that the 2007-2013 Comp Scheme has 5 goals, close to 30 objectives, and about 50 projects for a staff of three. He said, *“You can't do that and be successful because you look at that list and don't know where to start. So getting this down to the core issues you want to address in the next 1-5 years is the critical element here.”*

Gordon thanked Makers and Paul Sorenson for their work and the Commission agreed they did a great job on the draft.

ADJOURNMENT: The Special Meeting was adjourned at 8:57 p.m.

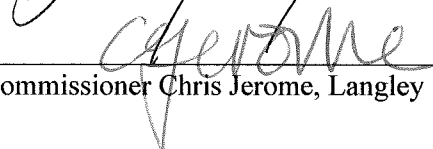
Approved:



Commissioner Curt Gordon, Clinton




Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

Minutes reviewed by:



Edwin S. Field, Port Operations Manager

- Exhibit A: BST Associates' Responses
- Exhibit B: Draft Strategic Plan
- Exhibit C: Working Assumptions for Discussion
- Exhibit D: Working Draft Project List