

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
SPECIAL MEETING of the BOARD OF COMMISSIONERS
Wednesday, December 28, 2011 at 9:00 am
Port Office Conference Room
1804 Scott Road, Freeland, WA

1. SPECIAL MEETING

- A. Call to Order
- B. Pledge of Allegiance

2. PROJECT ACTION ISSUES – Commission Review & Approval

- A. Possession Beach Property Lease – AT&T Cell Tower

3. ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

December 28, 2011

Freeland, Washington

Commissioners Present: Chris Jerome (Langley) and Curt Gordon (Clinton), Geoff Tapert (Freeland)

Others Present:

Port Staff: Ron Rhinehart (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk); **Others:** Betty Freeman (Whidbey Examiner), Brian Kelly (South Whidbey Record), **Clinton Residents:** Clyde Monma, Marcia Monma and Richard Engstrom; **Langley Resident:** Cynthia Kaul (Langley)

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Wednesday, December 28, 2011, 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 Board of Commissioners to consider a proposed lease agreement for a portion of the Possession Beach Waterfront Park property. Although the Meeting was of course open to the public, it was scheduled primarily to enable the Commission to review and take action on the proposed lease agreement, and public participation was not on the Agenda. Commissioner Jerome, President, called the Special Meeting to order at 9:00 a.m., followed by the Pledge of Allegiance.

ACTION ISSUES – Commission Review & Approval

Possession Beach Property Lease – AT&T Cell Tower (EXHIBIT A): Port Finance Manager Ron Rhinehart explained the proposed lease is for a 1,600 s.f. section at the top of the Possession Beach Waterfront Park property for AT&T to construct a 140' cell tower. He listed the benefits of the lease as follows:

- Will provide the Port with a revenue stream for the maintenance of the property.
- Will reduce the Port's reliance on property tax revenues.
- Will improve communications service for South Whidbey residents and emergency services personnel. Rhinehart said, *"It's worth noting that I-COM 9-1-1 (Island County Emergency Services Communications Center) will have free access to the cell tower."*
- Maintains public stewardship of the Park and the Dorothy Cleveland Trail. Rhinehart added, *"Which as we've seen in the state and the county, is getting harder and harder to do."*

The Port will receive a \$2,200 payment at the start upon execution of the lease, and as soon as construction begins AT&T will pay \$1,100 per month (paid in annual installments). The initial lease term is 5 years, with 4 additional terms of 5 years each for a total of 25 years. A 3% annual increase is included in the contract, and if AT&T subleases to additional carriers, the Port will receive \$2,400 per year for each additional carrier.

Jerome asked if the specific technical requirements in the lease agreement meet I-COM's needs, and Rhinehart explained that the numbers came from I-COM Director Tom Shaughnessy, and he believes they are sufficient.

Jerome noted that the section related to the possibility of the Port further subleasing the ground facilities had changed from the previous version of the agreement, and asked Rhinehart to explain. Rhinehart said, *"The \$200 per month per tenant was a compromise position – AT&T obviously has some concerns as to how they will recoup their investment. I felt it was a good trade-off: we probably get a little less revenue, but on the other hand, we don't insert ourselves into the middle of that negotiation and property"*

management (between the owner of the facility and the owner of the property with the tenant in the middle)." Rhinehart noted that the Board of Commissioners will have the opportunity to review any proposed sublease prior to AT&T taking action.


Jerome said the terms that the Port had proposed when the Board last considered the agreement had essentially survived intact with some minor changes, so he was quite pleased with it.

ACTION: A Motion was made by Tapert and seconded by Gordon to approve the Property Lease Agreement as submitted. The Motion passed unanimously.

ADJOURNMENT: The Special Meeting was adjourned at 9:07 a.m.

Approved:

Minutes prepared by:



Commissioner Chris Jerome, Langley



Ron Rhinehart, Port Finance Manager



Commissioner Curt Gordon, Clinton

Commissioner Geoff Tapert, Freeland

Exhibit A: Property Lease Agreement