

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
SPECIAL MEETING
January 7, 2008

1. 10:00 AM - SPECIAL MEETING
 - A. Call to Order
 - B. Oath of Office for Commissioner-elect Slinden
 - C. Election of Officers

2. PUBLIC COMMENT – Including items not on agenda.

3. COMMUNITY TRADE & ECONOMIC DEVELOPMENT (CTED) MEETING
 - A.

4. PROJECT ACTION ISSUES
 - A. Langley Projects

4. EXECUTIVE SESSION (if necessary)

5. COMMISSIONER ASSIGNMENTS (if time permits)

6. ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

January 7, 2008

Freeland, Washington

Present at the meeting were:

Commissioner Rolf Seitle, Langley
Commissioner Geoff Tapert, Freeland
Commissioner Lynae Slinden, Clinton
Ed Field, Port Manager
Dane Anderson, Port Financial Coordinator
Chuck Edwards, Port Accountant
Molly MacLeod-Roberts, Port Clerk

Jeff VanDerford, South Whidbey Record
Sharon Hart, ICEDC
Dick Larman, CTED
Sally Harris, CTED

1. MEETING CALL TO ORDER:

The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on January 7, 2008, in the Port office in Freeland, WA. Commissioner Tapert, President, called the meeting to order at 10:06 a.m. As announced, the Special Meeting was called for two primary purposes: 1) To formally seat the 2008 Board of Commissioners, and 2) To meet with representatives of the Washington State Department of Community, Trade and Economic Development (CTED) to address funding and grant opportunities related to the anticipated South Whidbey Marina expansion project.

A. Oath of Office for Commissioner-Elect Slinden: Commissioner-Elect Slinden was sworn into office by Commissioner Tapert. The Notice of Election and Oath of Office for Port of South Whidbey, Commissioner, District #3 was notarized and a copy was forwarded to the Island County Auditor as required by law. **(EXHIBIT A)**

B. Election of Officers:

ACTION: A Motion was made by Commissioner Seitle to retain the District Board in 2008 as it existed in 2007, including the officers and committee assignments. The Motion was not seconded.

Commissioner Slinden explained her reason for not seconding the Motion was that the Bylaws required the slate of officers to change every year.

Commissioner Seitle withdrew the Motion.

Commissioner Tapert asked if Commissioner Slinden wanted to be President again as she was in 2006. Commissioner Seitle said that would be out of order in the rotation system. The normal order is that the Vice President becomes President, the Secretary moves to the Vice President position and the President becomes the Secretary. Commissioner Seitle noted that he had served as Vice President in 2007, so unless it is acceptable for Commissioner Tapert to

continue as President for another year, Commissioner Seitle said it would be his turn to be President. Commissioner Slinden said the Port should follow its Bylaws, so she would go with Commissioner Seitle being President.

ACTION: For officers for the 2008 Port of South Whidbey Island Board of Commissioners, a Motion was made by Commissioner Slinden and seconded by Commissioner Tapert to nominate Commissioner Seitle as President, Commissioner Slinden as Vice President and Commissioner Tapert as Secretary. The Motion passed unanimously and the following slate of officers was elected for 2008:

- Commissioner Seitle – President
- Commissioner Slinden – Vice President
- Commissioner Tapert – Secretary

2. PUBLIC COMMENT:

There was no public comment during this period.

3. COMMUNITY TRADE & ECONOMIC DEVELOPMENT (CTED) MEETING:

Port Manager Ed Field provided a brief summary of the general project scope for the proposed Langley marina expansion, and provided the CTED representatives with copies of the Proposed Master Plan Update. During his presentation, Ed referred the representatives to the display boards that are enlargements of Sheets 5, 6 and 12 from the Proposed Master Plan Update.

Dick Larman of CTED asked about the size of the uplands that the City of Langley will transfer to the Port on January 1, 2009, and Commissioner Seitle said it was 1.2 acres.

Commissioner Seitle commented about the economic impact of the project. He said Langley's economy has been struggling, and the businesses in Langley greatly support the expansion of the marina because the marina's transient traffic is extremely important to them. Commissioner Seitle said the marina is the greatest opportunity for the Port to make a major push toward economic development, which is the primary responsibility of the Port.

Larman said he had a lot of questions and that his questions are always targeted around what is there to pay for, other than the obvious. He asked how far along the Port was with environmental permitting. Commissioner Seitle said they are working toward the 25% design stage which is needed before the Port can go for the permits. Commissioner Tapert added that they also need the buyoff from the City of Langley on the Plan before starting the permit process. Commissioner Slinden explained that removing the creosote was a big thing, both the existing stockade and the pilings from the previous marina. Commissioner Seitle wanted to point out that the Port has made already made a significant investment in the project. The Port spent about \$300,000 acquiring the breakwater and approximately \$220,000 in engineering and planning to date, with another \$100,000 still needed to reach the 25% design stage and permit submittal. Ed explained that the Port wants to partner with the City and get to the point where there is a common vision before starting down the permit path. Larman asked if the Port had talked to the City's capital facilities planners regarding how they will spend their capital dollars. Ed explained there had been major administrative changes in the City and as of two weeks ago the positions of City Planner, City Administrator and Public Works Director were all vacant. Commissioner Seitle said the capital facilities plan in Langley does not include any

money for the marina project. Commissioner Slinden told Larman that there is an InterLocal Agreement (ILA) between the City and the Port.

Commissioner Tapert explained that one of the challenges is that approximately 90% of the existing slips at the marina were created with InterAgency Committee for Outdoor Recreation (IAC, now renamed as the Recreation and Conservation Office, RCO) funds, so there are restrictions. When the current marina is replaced, the Port will need to provide at least an equivalent number of transient slips. To allow for permanent moorage in the expanded marina, the Port would therefore need to find alternate funding rather than recreational. The permanent moorage is necessary in order to spread out the economic activity of the marina throughout the year and not limit it to just the summer.

Larman asked if the Port had broken out the differential between transient and permanent moorage. Commissioner Seitle said the City has averaged \$70,000-\$100,000 in revenue from moorage fees, most of which is transient moorage. He explained that there are currently 2 parcels at the marina that are jointly owned by the Port and the City, and the uplands are basically encumbered for public use by the grants from IAC/RCO. The marina itself is all in Department of Natural Resources (DNR) waters. To implement the Plan, the Port would have to increase the DNR-lease area and perhaps enter into a Port Management Agreement with DNR.

Commissioner Slinden asked Larman to explain what CTED's participation would be if they got involved in this project. Larman said they would not be a whole lot of help, other than to help the Port search for other money. He said they have a good resource capacity in Tina Rose, whose primary job is to find other money for problematic projects. He explained that problematic did not mean troublesome, but rather it was hard to find money for them. Larman explained that the dollars CTED has for construction projects are primarily dollars for jobs and they are more accustomed to industrial, manufacturing, research & development facilities, etc. However, the Community Economic Revitalization Board (CERB) does tourism projects but there still needs to be some jobs associated with that project. He said the visitor's part of the marina is definitely a tourism project and they would need to figure out how jobs would fit there. Larman said the pot for CERB is only \$250,000. He said there are also \$50,000 grants for additional feasibility site studies, etc. He added there is a small pot of money in Site Development Planning Rural Opportunity Fund. Commissioner Slinden asked who does the allocation for that, and Larman said they handle it internally.

Larman suggested as the Port moves forward to some construction, they might want to talk to the Governor of Washington State regarding the Strategic Reserve Account, which is \$4 million per year that gets re-capitalized. Commissioner Slinden asked when that money is allocated, and Larman explained it is done project by project. He, Sally Harris and the director of CTED make the decision to present a project to the Governor. Larman said, 'So far, we're batting a thousand with that.' He said they've funded \$300,000 on some construction projects. Commissioner Slinden asked if it was retroactive for projects underway, and Larman said it was not.

Commissioner Slinden asked how much participation CTED would have in helping the Port go after tertiary money – would CTED just tell the Port where to go or would CTED participate as part of the team making that request? Larman said the answer was both, and it depends as they narrow it down and determine where CTED does and does not have influence.

Sharon Hart of Island County Economic Development Council (ICEDC) asked about the Port's desire to go through federal channels as well. She said that while working with the Oak Harbor Marina project, ICEDC had discussed Economic Development Administration (EDA) funding with the offices of U.S. Senators Murray and Cantwell. Hart noted that Bremerton did \$3 million worth of EDA funding. She explained that it is very, very laborious, it's very political, and having U.S. Congressman Norm Dicks involved is usually a key. Hart said the Port would need to make a direct request, showing economic impact. She thinks Whidbey Island agencies should position themselves to get the funding because no one's ever really used it. Commissioner Slinden asked if the ICEDC would be willing to help and Hart said, "Sure." Hart said the Port should talk to legislative aides about the possibilities of funding. She noted that touching all local bases first is important to the federal legislators.

Commissioner Slinden asked for Larman's opinion on Industrial Development Districts (IDD). Larman said he'd have to think about it because he didn't know if it would help the Port's project. He said industrial areas are typically larger than 1.2 acres.

Larman asked if the Port had a strategy of trying to buy up industrial land in its political boundaries. Commissioner Tapert said it is in the Port's Comprehensive Scheme, but they haven't done it yet because it comes down to capital. If CTED can help the Port to purchase the land as it becomes available, the Port would do it.

Commissioner Slinden asked if CTED's main focus is looking at tertiary sources within the state or do they look outside as well, to federal funding and all levels. Larman said they look at all sources, including private. Commissioner Slinden asked when CTED would be able to get back to them, and Larman said their next brainstorming meeting was in a couple of weeks so the Port should hear back from CTED by the end of the month with some directions for the Port to look at.

Sally Harris of CTED asked when the Port would be talking to the City of Langley again. Commissioner Slinden explained that the Port would be presenting the Proposed Master Plan Update to the public on January 23rd and would collect public input after. The Port hopes to hear back from the City of Langley by the end of the month as well.

Harris and Larman said they would drive to Langley after this meeting so they could view the existing marina. Harris said CTED would have their Resource Team meeting tomorrow, where different parts of that agency pull together and talk about projects. Larman said they could introduce the Port's project for the next agenda. He added that CTED could even help the City of Langley get its Comprehensive Plan updated. CTED's Regional Staff meeting will be at the end of the month, and Larman explained that regional managers from all around attend and that they have a really broad network of federal, state and private funding sources.

Commissioner Seitle thanked Harris and Larman for coming.

Larman said when the Port finishes getting everybody lined up behind this Plan, they should take a run at the capital budget of the state legislature during the next session for a big chunk of the funding for the project. The capital budget has been \$150-\$200 million coming out of sessions. Hart noted that Greenbank got funds from the capital budget.

Larman said he is a real student and advocate of leadership, and one of the first things about leadership is "vision casting." He said that the Port has done a marvelous job of casting this vision. The second part is "vision catching." He said, "You can have a vision, but if nobody

gets it – you just have a nice vision.” Larman challenged the Board to talk to everyone they have ever met to build the consensus behind it.

Commissioner Tapert asked if property becomes available that has industrial zoning, could CTED help the Port raise some capital to purchase it. Larman said no, they could only help develop it or help an entity study whether they wish to buy it or not.

4. PROJECT ACTION ISSUES:

The Board did not have time to discuss this Agenda item, so discussion was postponed until the next regular meeting on January 9, 2008.

5. EXECUTIVE SESSION:

There was no Executive Session.

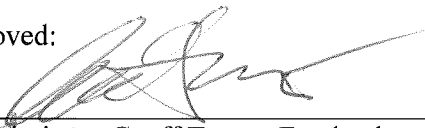
6. COMMISSIONER ASSIGNMENTS:

The Board did not have time to discuss this Agenda item, so discussion was postponed until the next regular meeting on January 9, 2008.


7. ADJOURNMENT:

The Meeting was adjourned at 11:29 a.m.

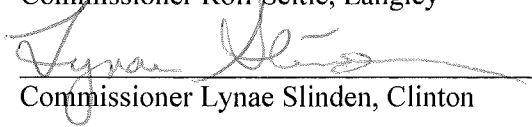
Approved:



Commissioner Geoff Tapert, Freeland

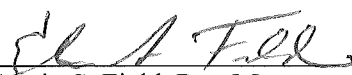


Commissioner Rolf Seitle, Langley



Commissioner Lynae Slinden, Clinton

Minutes prepared by:



Edwin S. Field, Port Manager

Exhibit A: Notice of Election and Oath of Office of Lynae Slinden