

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
SPECIAL MEETING of the BOARD OF COMMISSIONERS
Tuesday, April 27, 2010 at 9:00 am
Port Office Conference Room, Freeland, WA

1. SPECIAL MEETING

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

2. PROJECT ACTION ISSUES – Commission & Staff Discussion

- A. Review of Proposals for New Office Location and Direction to Proceed
- B. Facilities Issues
 - 1. Float and Equipment Condition Report (from launch) and Replacement Planning
- C. Upcoming Meeting Topics

3. ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

April 27, 2010

Freeland, Washington

Present at the meeting were:

Commissioner Geoff Tapert, Freeland
Commissioner Chris Jerome, Langley
Commissioner Curt Gordon, Clinton
Ed Field, Port Manager
Dane Anderson, Port Financial Manager
Molly MacLeod-Roberts, Port Clerk
Wayne & Laura Nance, Possession Managers

Tony Puma, Boatyard Inn Co-Owner

Absent: None

1. MEETING CALL TO ORDER:

The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on April 27, 2010, at the Port office located at 5492 S. Harbor Ave. in Freeland, WA. As announced, the purpose of the Special Meeting was for staff and Commission review and determination regarding: 1) the proposals for a new Port office location, and 2) float and equipment conditions and replacement planning, based on reports from last weekend's float installations, and 3) future meeting topic planning. Although the Special Meeting was open to the public, it was scheduled for detailed Commission and staff review of ongoing operational issues, and public participation was not on the Agenda. Commissioner Tapert, President, called the meeting to order at 9:00 a.m., followed by the Pledge of Allegiance.

2. PROJECT ACTION ISSUES – Commission and Staff Discussion:

A. Review of Proposals for New Office Location and Direction to Proceed: Port Manager Ed Field said the Port had received 3 proposals for office space and copies of those proposals had been previously sent to the Commissioners, along with a breakdown and estimate of the rent and utility costs, tenant improvement and Port start-up costs and a 3-year total cost comparison (**EXHIBIT A**). The three locations were 1) China City Building in Freeland (1,100 sf), 2) Windermere Building in Freeland (682 sf), and 3) the Bayview Corner Building in Bayview (966 sf). Ed noted that China City owner Jack Ng had revised his proposal yesterday and waived the tenant improvement costs of \$4,775 if the Port signed a 3-year lease. He explained that pretty much evened up the amounts for total up-front money and put China City's total 3-year cost amount a lot closer to the other two, but the monthly rent for China City would still be about \$100 higher than either the Bayview or Windermere space.

Ed thought China City would be a good location, but it does require construction. Ng said he was confident they could complete the work in two weeks and have the space ready by May 15th. The

Windermere location is essentially move-in ready and is furnished; all that needs to be done is removal of some of the cubicle furnishings in the reception area and the 3rd office, add a partition door and the exterior work (walkway). The space at Bayview is good-sized, but not configured very well. The space is on the 2nd floor, and there is room for a small conference room. Ed said all three locations are definitely eager to have the Port move in. Regarding level of effort of move, he noted that Windermere is the easiest because it is furnished and that would reduce staff time spent purchasing & installing furniture. Although Bayview is more centrally located in the Port District and the most visible, since both the post office and the bank are located in Freeland, the other two locations are preferable for office business. His understanding is that the Commission will be looking into potential incubator space buildings within 3-5 years, so that would make this office relocation more of an interim move rather than a final move. Commissioner Gordon said the Port would not necessarily have an office in the incubator space, and added that he had briefly discussed with the superintendent of the South Whidbey School District the possibility of using the 2-story building at the Langley Middle School as an incubator space. Commissioner Tapert said his long-term vision is that at some point the Port would own real estate and have the Port office on that property.

Regarding the Windermere building location, Commissioner Gordon noted that the Port would actually have to sublet the space from a tenant rather than leasing the space from the owner. Commissioner Gordon expressed concern regarding the long-term financial stability of that tenant and said, "If that tenant leaves or his business fails, I think we're gone because we're leasing from him." He said he is not comfortable with the port being a subtenant, and he's really uncomfortable with the access to that location (exterior walkway needed; ADA access only through upstairs of building with someone inside letting them in after hours, etc.) He concluded that the Windermere location was not a good one and he'd rather rent from either of the other two. He pointed out that although Windermere did have a conference room, the owner of the China City location said he would provide a small conference room and the Bayview location has room for the Port's own small conference room.

Commissioner Jerome said the Bayview space was the least attractive to him – the layout doesn't seem to suit the Port's needs. The China City space would basically be configured for the Port and made to work, but in terms of existing layout he likes the Windermere space better and he believed the access issues could be taken care of. He said, "There's not a lot of difference to choose between the Windermere space and the China City space, and in terms of cost it looks like Windermere would cost \$5,000 less over a 3-year period." Commissioner Gordon reiterated his concerns regarding the Windermere location (sublease & access), and added that if the Bayview location is ruled out, then he would prefer the China City location. Commissioner Tapert said he had no preference – they all look similar, although on a square foot basis, China City appears to be the best deal so he was slightly in favor of China City over the other two. Commissioner Gordon said he was in favor of the China City location.

ACTION: A Motion was made by Commissioner Jerome and seconded by Commissioner Gordon to enter into a 3-year lease with China City Properties, LLC per the submitted proposal. The Motion passed unanimously.

B. Facilities Issues:

1. Float and Equipment Condition Report (from launch) and Replacement Planning: Possession Park Caretakers Wayne and Laura Nance were on hand to discuss the conditions of the floats and equipment at Possession. Wayne explained that the existing backhoe is on its "last legs" and needs to be replaced, and he would like the replacement to be "green" and use vegetable oil-type fluids. He reported that the government-lease deal through John Deere would

provide a 35% discount on new equipment and the municipal multiplier on used equipment from Pape or others would be a 23% discount. Since the backhoe would be used in and near salt water, Wayne's recommendation was to either buy or lease a good used backhoe rather than a new one.

Commissioner Gordon felt the best option was to lease and turn it over at the end of the period, rather than purchase. He said, "Since the Port does not have to renew its current millage, to me it's better to stretch it out over time and not go out and make a capital purchase of \$50,000 – just lease." Commissioner Tapert agreed leasing would be better than purchasing, and the \$30,000 allocated in this year's budget could instead be spread out over the next five years. Commissioner Gordon suggested they not rule out purchasing or leasing new because it's possible they could get a better deal as a public agency through the Washington Government Entity Pool.

Ed said between now and the regular May meeting, he and Wayne would work on identifying a specific backhoe and the other details for Commission action at the meeting. He noted that they would be deavoring to include the switch-over to vegetable-oil-based fluids in the initial purchase deal, as that has been the long-term plan for the Possession backhoe, and the Commissioners concurred.

Ed reported that the Bush Point floats are in good shape and have been launched. Bush Pt. Manager Abram Abella has done some fine tuning with the chains and replaced some of the pile hoops' back braces with the chains to provide some position control without constant wear on the bars and pads. The floats seem to be working well and Ed said he was "cautiously optimistic that maybe we're past the worst of it at Bush Pt., at least for this season." The wooden float structures at Possession are in pretty good shape considering their age, with the exception of the end caps with through-bolts. Wayne recommended that during the winter, all the end caps should be pulled off, cleaned up, blasted down and sent to the company in South Seattle to be re-dipped and re-galvanized. Ed noted that since the floats were 22 years old, some of the endcaps might have to be re-fabricated. Wayne believed that if the caps and mechanical hinges were taken care of, the floats could last another 20 years.

C. Upcoming Meeting Topics:

- Possession. The Port has not heard anything back yet from RCO (Recreation & Conservation Office) regarding the Possession property and encumbrance determination.
- Port Management Agreement (PMA). Ed said the Commission needs to discuss the details of the PMA; there are insurance issues, in particular pollution and liability insurance. He is working with Enduris and the Port Attorney and will try to ascertain if the Port could be self-insured, etc.
- South Whidbey Harbor. At the May meeting, Ed expected to have a lot of information from Harbormaster Rick Brewer for the Commission to discuss – bait sales, seasonal staff, Dock Stock, etc.
- Individual initiatives and Comprehensive Scheme mid-term review and timeline. Ed said those items would be included on the May agenda. Commissioner Gordon said he would be meeting with David Moseley from Washington State Ferries on Monday to discuss his ferry staging concepts and would update the Commission at the May meeting. Since Commissioner Jerome had been away for the March and April regular meetings, Commissioner Gordon provided him with some updates. He and Dane met with Representative Larsen, who is supporting Dane's efforts with the Port's Boating Infrastructure Grant Application. They were also connected to the Technology in Langley concept, both by Councilmember Russ Sparkman and George Henny

of Whidbey Telecom. They discussed the potential of making Langley a “Wi-Fi Community” for residents and visitors as well. Additionally, they talked about incubators, specifically ones that blend arts and technology. There is a need for a high tech area and classrooms, and Commissioner Gordon met with South Whidbey School Superintendent Fred McCarthy to discuss the possibility of the Port taking over the Langley Middle School 2-story building next to WICA and turn it into such a facility, and McCarthy said would be willing to entertain the proposal. There might also be grant opportunities for seismic retrofitting in lieu of a short-term lease so the Port could tenants in there. The Commissioner agreed the Port-sponsored incubator space should be added to the agenda for the May meeting. Dane thought it would fit very well into the community development part of the USDA Rural Development Grant Program, so it would be a good potential funding source.

3. ADJOURNMENT:

The meeting was adjourned at 10:15 a.m.

Approved:



Commissioner Geoff Tapert, Freeland

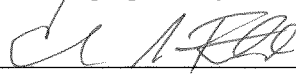


Commissioner Chris Jerome, Langley



Commissioner Curt Gordon, Clinton

Minutes prepared by:



Edwin S. Field, Port Manager

Exhibit A: Cost Breakdowns for Proposed Office Space