


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

Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA  
Wednesday, August 3, 2016 at 5:00 p.m.

**AGENDA**

SPECIAL MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE (5:00 p.m.)

**Fairgrounds**

 **Bush Point**

 **Wharf Street Property**

ADJOURNMENT (Approximately 6 p.m.)

## PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

August 3, 2016

Freeland, Washington

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

**Port Staff:** Jan-Marc Jouas (Acting Executive Director), Molly MacLeod-Roberts (Port Clerk/Accountant), Roxy Taylor (Fairgrounds Property Manager), Pat Kisch (Maintenance & Operations Supervisor)

**MEETING CALL TO ORDER:** The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Wednesday, August 3, 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 5:00 p.m., followed by the Pledge of Allegiance.

**Fairgrounds:** The primary election was held Tuesday, August 2<sup>nd</sup>, and Acting Executive Director Jan-Marc Jouas noted for the record that the Port's ballot measure to support the transfer of the Fairgrounds property and increase the levy had passed. Jouas had drafted the following topic paper (*italicized*) to aid in the discussion:

*Fairgrounds – where do we go from here?*

*Long Range Plan: Self-sufficient (no timeline)*

*Short-term plan: Seamless turnover by Island County*

*Island County*

- *Meet & discuss the way ahead with Island County officials*
- *Determine what legal instruments are required*
- *Ensure proper funding for 2016-2017 is provided by Island County*
- *Establish a turnover date with programmed milestones*

Jouas recommended January 1<sup>st</sup>. It would allow 4.5 months to accomplish all that needs to be done for transfer. Commissioner Curt Gordon agreed the Port could have a target date to complete the transfer, and the earlier the better. He noted that the Port's Rural County Economic Development Funds (RCEDF) grant of \$100,000 was to provide funding through March 31, 2017, regardless of the outcome of the election, because the Port will not start receiving the increased levy until April 30, 2017.

Gordon would like to get the transfer process rolling right away, because the Port has lots of plans that involve leases and those need to be completed as soon as possible, including the Fair Association's lease (hopefully by January).

*Budget*

- *Determine annual operations & costs*
- *Develop a prioritized list of repairs, renovations, and demolition*
- *Program in five-year windows*
- *Explore availability of grants*

Jouas will contact Island County's Elaine Marlow (Director, General Services Administration) and Larry Van Horn (Director, Facilities Management) and set up a preliminary meeting to lay the groundwork. The 2017 budget is a critical aspect, and the Port will need to nail down the anticipated maintenance costs, etc. as soon as possible, because that will determine what is left over to use for matching grants, etc. Gordon suggested starting the process with a one-year "clean-up" list of items that must be done to make everything legal, workable, safe and usable before starting the larger capital improvements. The Port should sit down with tenants and get their list of "must dos."

Fairgrounds Property Manager Roxy Taylor reported there have been tenant requests for some structural repairs. Some would require going out to bid; she will work with Maintenance & Operations Supervisor Pat Kisch and the tenants on developing the lists and estimated costs.

Gordon said the Port owes it to the district voters to ask if Island County is willing to financially step up for a few years of deferred maintenance and/or agree to partner on grants. Marty Matthews (Port consultant for the Fairgrounds Business & Marketing Plan) pointed out that a campground restroom was promised by Island County. Other identified deferred maintenance projects include a 2<sup>nd</sup> emergency exit to the Black Box Theatre and the backflow valve.

#### *Advisory Committee*

- *Among our first initiatives*
- *Determine role of committee*
- *Explore membership & charter*
- *Establish a meeting schedule*

Jouas will work on identifying entities/organizations to have representation on the Committee (in addition to those previously identified by the County).

#### *Events*

- *Allow Fairground Manager to book, schedule & advertise*

#### *Economic Development*

- *Use prior studies & reports to develop a sound, measured business plan*
- *Strongly recommend we crawl, walk, run*
- *Campground may be the low-hanging fruit*

#### *Miscellaneous*

- *Rebrand the Fairgrounds?*

No renaming/rebranding at this time; may consider renaming the campground area once improvements are made.

**Wharf Street Property:** At the Regular Meeting of June 14, the Port agreed to the purchase of 203 Wharf St. for \$170,000 if completed within 60 days from signing, and \$175,000 if it went beyond 60 days (past August 15<sup>th</sup>). The Port subsequently contracted to have a Phase 1 Environmental Site Assessment (ESA) and a Property Valuation performed. The Riley Group performed the Phase 1 ESA for the property. There was no evidence of contamination, but the nearby property once contained a Chevron bulk fuel terminal that is known to have impacted the soil and groundwater beneath that plant. The Riley Group therefore recommended a limited Preliminary Phase II Subsurface Investigation (SI) to determine any impacts the Chevron Langley Bulk Plant facilities may have had on the soil and groundwater quality beneath the Site. The estimated cost of the Phase II SI is \$9,000, and will take approximately 3 weeks to

complete, which puts it past the 60 days. That Port Attorney Brad Cattle (Anderson Hunter Law Firm) recommends the Port proceed with the Phase II SI. If an issue is found after the purchase, the Port as owner would be responsible to some degree for any actions such as clean up, etc.

Fullerton & Associates performed the property valuation, and provided a Letter of Opinion indicating the property has a market value range of \$100,000 to \$120,000. The valuation is based on comparison to similar properties, but was not limited to Whidbey Island properties. The valuation also factored in the permanent exclusive easement for a 20' x 20' x 10' area to provide two parking spaces for the Boatyard Inn.

Based on the ESA and the valuation, Jouas recommended the Port reconsider the purchase price of \$170,000, and propose a counteroffer that includes a \$9,000 reduction for the Phase II SI (if the Port decides to do it). Gordon suggested the Port could make a counteroffer that is contingent upon the property being "clean." He noted that the value of the property in regards to providing parking for further expansion of the South Whidbey Harbor can't be valued in dollars right now.

**ACTION:** A Motion was made by Gordon and seconded by Commissioner Jack Ng to renegotiate the purchase of 203 Wharf Street for \$100,000 if and only if the results of the Phase II Subsurface Investigation indicate the property is not contaminated.

Halloran asked if the Motion is with the intent that Port will assume the additional \$9,000 cost of the survey, and Gordon confirmed that was the case.

**Halloran called for a vote, and the Motion passed unanimously.**

**Bush Point:** Jouas recommended investigating the possibility of selling the house at 234 Spyglass Drive and the adjoining lot. Investigation would include determining what encumbrances exist and steps needed to overcome them, where security cameras & support equipment will be installed, where Port equipment will be stored, and what easements will be needed for the drain field, cameras, etc.

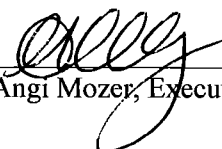
The Commission agreed and authorized Jouas to proceed with investigating the possibility of selling the Bush Point residence and adjacent lot. Gordon encouraged him to have a Title Search done on both parcels as the first step.

ADJOURNMENT: The Special Meeting was adjourned at 5:57 p.m.

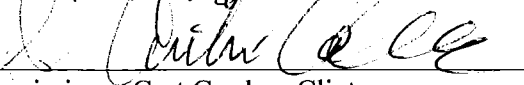
Approved:

Minutes reviewed by:

  
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Commissioner Ed Halloran, Langley

  
\_\_\_\_\_  
Angi Mozer, Executive Director

  
\_\_\_\_\_  
Commissioner Jack Ng, Freeland

  
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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.