

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

Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA
Wednesday, June 25, 2014 at 6:00 p.m.

AGENDA

CALL TO ORDER and PLEDGE OF ALLEGIANCE (6:00 p.m.)

ISLAND COUNTY FAIRGROUNDS (Approximately 6:05 – 7:00 p.m.)

Property Management Options

POSSESSION BOAT RAMP RENOVATION PROJECT (Approximately 7:00 – 8:00 p.m.)

Shoreline Permit Application

ADJOURNMENT (Approximately 8:00 p.m.)

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

June 25, 2014

Freeland, Washington

Commissioners Present: Curt Gordon (Clinton), Dennis Gregoire (Freeland) and Ed Halloran (Langley)

Others Present

Port Staff: Molly MacLeod-Roberts (Port Clerk), Dane Anderson (Management Consultant) and Wayne Nance (Maintenance & Operations Supervisor)

Public: Jill Johnson (Chair, Board of Island County Commissioners), Matt Kukuk (Saratoga Environmental & Land Services) and Justin Burnett (Editor, South Whidbey Record)

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Wednesday, June 25, 2014, 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 the specific issues listed and public participation was not on the Agenda.

Commissioner Curt Gordon, President, called the Special Meeting to order at 6:02 p.m., followed by the Pledge of Allegiance.

ISLAND COUNTY FAIRGROUNDS

Property Management Options: Island County Commissioner (ICC) Jill Johnson explained, *"I'm not here with an official proposal. I'm here to ask some questions of the Port as a Board. As you know, Island County undertook a study of the fairgrounds on South Whidbey. Whatever you think of the study, it was very enlightening. It brought to light some pretty key issues: Distinctly, the difference between the Fair Association as an organization and the fairgrounds as a facility. As a Commissioner, our responsibility is really those fairgrounds."* She supported that study because having activities like the Fair are important to a community and she wanted to make sure the County had a strategic plan for the fairgrounds. Johnson said she also places a high value on economic development and the County has had many conversations about the economic needs of South Whidbey and about where there are opportunities for economic growth development, and there have been high hopes for the fairground being that. In the process, it became clear that the fairgrounds need active management focused on the facilities, provided by a property manager making sure there are tenants occupying the spaces there. She stated, *"It goes beyond just owning a building and putting on a roof. That's not the County's primary mission. We have smart people and I think we do some things really well but this is not really in our wheelhouse."*

During some of the community discussions, Gordon was asked if the Port might be interested in management of the fairgrounds, and he suggested that the County bring it to the Port Commission to consider. Johnson said, *"What I am not prepared to do is propose marriage, because I don't want to ask a question that I'm going to get a 'no' to – I think that's probably a little premature. But what I would like to ask the Port is if we could seriously date. Not a one-night stand – seriously date is what I'm looking for. If you would be willing to work with the County to determine if there is a land lease opportunity, a purchase potential, etc. Figure out what your boundaries are and what the County can do, with some protection of the Fair and the ability to operate the Fair there as a priority."* She reiterated her purpose in coming to the meeting was to determine the Port's willingness to seriously consider involvement in management of the fairgrounds property.

Gordon agreed the best thing that came out of the study was the conclusion that there needs to be a separation between the Fair Association and the management of the fairgrounds, allowing the Association to just run the Fair as tenants of the fairgrounds. There is a great opportunity there for economic development as an Event Center. He said it fits the Port's mission and taxing authority, and it's prudent

that the Commission at least look into the idea. He also suggested the idea that the fairgrounds could feel “local” while the Fair itself could be whatever the Association wants it to be (Island County Fair, Whidbey Island Area Fair, etc.). One reason Gordon thinks the concept works well for the Port is that it would be “a localized use with a localized benefit.” As a local event center, he doesn’t see that Camano residents would benefit much if the Port took over the fairgrounds.

Commissioner Dennis Gregoire agreed the Port needed to engage in discussion with the County on the issue. He said, *“I think there’s an opportunity there. I think there are some huge challenges with the Port’s involvement, but I think it is worthwhile to begin serious dialogue.”* Figuring out the boundaries and what the real opportunities are will involve extensive discussion and time by both the Port Commission and Port Staff and he suggested they should reach out for outside expertise. Gregoire noted that the Port, County and the South Whidbey Parks & Rec District (SWPRD) are currently engaged in discussion regarding parks on the south end. He said, *“I think this is the next logical discussion for the Port to be engaged in.”* He added that stakeholders would need to be involved, and a facilitator might be needed to set up the structure for that dialogue.

Commissioner Ed Halloran said, *“The fairgrounds are a facility and need professional management. Whether you have a car show, a horse race or a fair – it doesn’t matter. It’s a facility and it needs to be professionally managed because it has a unique relationship with the County as owner, and a unique relationship emotionally with the community.”* There needs to be a clear understanding of roles and missions. The users can’t dictate how the property is managed, and the management can’t tell the users how to run their events (a fair, or a car show, etc.).

Gordon said the Port is not in a position with current staff to go out and investigate what the community needs and wants, etc. He said there is an existing South Whidbey culture and the Fairgrounds Strategic Plan went completely against the grain of that. That culture has a value. He said, *“So whoever takes over the property has to blend the wants and needs of those folks with the need to have a facility that breaks even. I believe that’s possible, by blending the strengths of the Strategic Plan with the interests of the community. But the Port doesn’t have the money to have Staff work on the public outreach or to hire a consultant.”* Gregoire thinks the first thing to do is to have the County and the Port engage in a dialogue about the visions and boundaries of each entity. He doesn’t think the Port knows what its boundaries are relative to this project, and he doesn’t think the Port can do anything in the next six months other than talk about it. Gordon disagreed, saying that in the next six months, the Port could look at it, figure out how to fund the exploration, hold public meetings, and tweak parts of the existing Plan to take back to the public.

Halloran said the Port needs to know who the customers are before going out and solving the problem. He explained, *“What we have right now is a lot of people talking about a solution without dealing with the customer. The customer needs to be clearly identified. It isn’t the Fair people for 365 days a year – it’s the Fair people for 3-4 weeks of the year. The rest of the time has to be based on good business principles. It has to pay itself; pay for the facilities that are there and open the door to new customers.”*

Johnson agreed it is necessary to know who the customer is and make sure the facility meets their needs. She said that is another example of why Island County is not best suited to manage the fairgrounds property. The County is not going to go out and find customers – that is not what they do. She completely agreed that the Fair Association (as an entity operating the Fair) is a tenant and their authority is that of a tenant, and in business the best tenants often drive the environment. She added, *“You’re going to keep your best tenants happy, and the Fair’s happiness is important to the County. But the County, with all its good intentions, is not the best organizational entity to maximize the potential of the Fairgrounds. What the County would need is a partner like the Port to talk about a contractual relationship about what it means and what it would look like to you as a Port Board and what it would mean for the County in terms of what a contract would look like – what your terms might be, what our terms might be, etc. and begin that type of a process.”*

The Port's Mission is: *"To enhance the economic well-being of the community and improve public access to marine areas while respecting the unique rural character and environment of South Whidbey Island."* Gordon said, *"This is rural character and it's our culture. That means you don't go full throttle just because it makes you the most money. You've got to make sure that you respect the unique rural character and environment of South Whidbey Island, and I think the Port can do the best job of anybody doing that."*

Johnson said she understands the Port's concerns, especially the financial risk piece, which the County is also concerned about. She anticipates that part of the conversation will evolve as the Port and County go forward.

Reiterating that the County, SWPRD and the Port are engaged in discussions regarding existing facilities, Gregoire said the fairgrounds could be "tacked on" to those discussions.

Halloran emphasized the importance of knowing what the customer wants and educating them as to the compromises that might be needed in order to maintain the culture of the Fair. The Fairground Strategic Plan has got everyone's attention, but it isn't a panacea for any of the groups involved. Johnson said, *"I am not here advocating for that report, the implementation of that report or the phasing of that report. I am here asking is if the Port is interested (based on its unique mission and skill set) to engage in conversation with the County about what a contract to manage that property would look like to you and to the County to see if we can find something that works."* She anticipated the property management group would be making the decisions and locally driven choices about the fairgrounds. She wants to get "key" County values out on the table early.

Johnson asked if the Port's interest is serious enough to agree to sit down and talk with the Board of Island County Commissioners and the Budget Director about a lease or a purchase agreement for the property, where the Port feels somewhat financially protected and the Fair itself continues and a property management group takes on the facilities with their duties going beyond just maintenance to include scheduling events, rental of facilities, etc.

Gordon said, *"I don't want to pretend, suggest or give ideas as to what goes on with the Island County Fair (the event that goes on 4 days each year). The Fair has a Board and a history. I want the message to go out that the Port wants to support the Fair but doesn't want anything to do with running a fair. I would like the question to be: Are we willing to get into this fairgrounds facility so we can provide a place for the Fair to occur on into the future and at the same time provide economic benefit to South Whidbey from the fairgrounds facility?"*

ACTION: A Motion was made by Gregoire and seconded by Halloran to engage in dialogue with Island County for the purpose of investigating the options of taking over the property management of the Island County Fairgrounds facility. The Motion passed unanimously.

The Commission agreed to hold a special meeting in mid- to late July to "lay out the road map" for the next steps. Halloran suggested the meeting should be more about the mechanics than the philosophy and Gordon agreed. Gordon said he would work with Management Consultant Dane Anderson on the issue prior to the meeting. Gregoire said the 5 step process he has used would work very well.

POSSESSION BOAT RAMP RENOVATION PROJECT

Shoreline Permit Application: Matt Kukuk of Saratoga Land & Environmental Services (subcontractor for Coast & Harbor Engineers) was on hand to provide information regarding the process. Anderson explained that the Port is currently operating under a Shoreline Conditional Use Permit (SCUP) and an Island County Maintenance & Operations Permit. Kukuk and Anderson had discussed what level of permitting would be required for the Boat Ramp Renovation Project and contacted the new Island County

Planning Director (Dave Wechner) to get his feedback on what the County would require. He noted that according to the RCW (Revised Code of Washington), public agencies are not required to go through a SEPA (State Environmental Protection Act) process in certain circumstances. The issue is whether the project is just a maintenance project and or if it is substantial development. Kukuk explained, *“My concern early on was that there is the possibility of bumping a project out of a maintenance permit, depending on how you define things. The Planning Director determines how the terms in the (SEPA) Act are interpreted.”* Additionally, the chosen option of “minor reconfiguration” of relocating the floats and pilings to the opposite side of the ramp was not known when the project first started. “Relocating” is one of the issues that comes to semantics, because when pilings are pulled up, they are not put back in exactly the same place. The project involves removal of 16 wood creosote pilings in 4 dolphins and replacing them with six steel pilings. He said, *“They are not going to go back in the same place. Is switching it to the other side of the ramp enough to push us out of maintenance? There is a net ecological benefit from that, but we didn’t know whether or not the Planning Director would decide that it pushes us out of the maintenance permit-type project.”*

Kukuk said, *“We now have the Planning Director’s response: a Conditional Use Permit is required; but he didn’t give much feedback on his reasons as to why he made that decision.”* That determination triples the permit fees and extends the period for permit review from 4 months to 6-7 months. Noting that the Port is preparing to submit an application for a Recreation and Conservation Office (RCO) Boating Facilities Program grant for the construction of the project, Gordon asked if the lengthened permit process will affect that process. Anderson said it shouldn’t affect it, because the Port should have permits in hand by the time RCO actually awards the grant (nearly a year after application submittal). Halloran said the Port isn’t reinventing the wheel; just using a different sized tire. He wondered if the process could be shortened if the Port was pro-actively involved by contacting the Planning Director every few days to ask if he need more information, etc. Kukuk said he brought up the possibility of whether the project scope changed by moving things around a little bit (slightly changing the elevation of the ramp and relocating the floats, etc.). There are two very good technical reports that support what the Port is trying to do and boosts the Port’s argument in the permitting, but the difference between going through an exemption or a conditional use permit is that the conditional use permit increases the subjectivity and has specific criteria that must be met. Whereas the exemption is when you are saying: I’m just taking something I have and rebuilding it with the same size footprint, same size, etc.

Although he is fairly confident the Port will be able to get the permit, Kukuk suggested they open a dialogue with Wechner at the County. Gordon agreed that Kukuk and Anderson should do so. If there is going to be a discussion with the Planning Director, Gregoire said he wants to be involved in it. Gordon didn’t think that would be appropriate. Gregoire said it would give them access to County staff and help get the designated zone for boat ramps he has been pursuing. Gordon replied, *“I totally support you visiting the Planning Director on your own on that matter, but not on a project that we have hired a consultant to manage a permit for. We need give the consultant and our staff autonomy in working the project.”* He added that if Gregoire wants to meet with Wechner, he should do so outside of this project because he doesn’t think Commissioners should be micromanaging individual projects.


Now that the County has provided the application forms, Anderson and Kukuk need to sit down and review those with Coast & Harbor Engineering to make sure everything is consistent with the JARPA (Joint Aquatic Resources Permit Application). Once that’s done, they will start the process with the County and US Army Corps of Engineers (the “Corps”). Kukuk said they will be submitting a Conditional Use Permit Application and a SEPA checklist to Island County. The SEPA checklist is nearly complete. Once all the information is put together, Gregoire wants to sit down with Anderson and Kukuk to go over it. Gordon agreed that would be fine, but cautioned that Gregoire should provide information and feedback, but should NOT give direction or micromanage. Gregoire said, *“I just want to make sure the information packet gives a context as to why it is we’re arguing so critically that we need*

this ramp open, because we have two other ramps that don't even function and we may never get them functioning."

EXECUTIVE SESSION: The Board of Commissioners went into Executive Session at 7:35 p.m. for an expected duration of 15 minutes to review the performance of a public employee. At 7:50 p.m., the Board extended the session for an additional 15 minutes. The Board came out of Executive Session at 8:06 p.m.

ADJOURNMENT: The Special Meeting was adjourned at 8:07 p.m.

Approved:

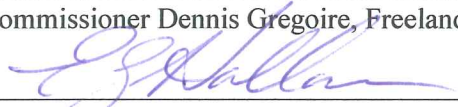


Commissioner Curt Gordon, Clinton

Minutes reviewed by:



Angi Mozer, Interim Executive Director

Commissioner Dennis Gregoire, Freeland


Commissioner Ed Halloran, Langley