

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
REGULAR MEETING
LOCATION: SWPRD Meeting Room, 5475 Maxwellton Rd, Langley WA
DATE: February 8, 2011

7:00 PM – 7:30 PM WORKSHOP

7:30 PM – REGULAR MEETING CALL TO ORDER

1. Pledge of Allegiance

BUSINESS MEETING

1. Consent Agenda:
 - A. Minutes on file: Minutes from the Public Hearing and Special Meeting of November 17, 2010.
 - B. Vouchers: Vouchers dated February 8 and February 9, 2011 as signed today in the total amount of **\$76,645.06**.

PUBLIC COMMENT – Including Items not on Agenda: Please limit comments to 5 minutes.

1. Uniquely South Whidbey Trade Fair Proposal, from Sherry Jennings, Langley Chamber

FINANCIAL ACTION ISSUES - Staff Report, Public Comment, Commissioners' Discussion

1. December 2010 Financial Report (distributed 1/28/11)
2. 2010 Annual Reporting
3. Resolution No. 11-02: Authorization for \$100.00 Petty Cash Fund
4. Port Policy Review: Reimbursement for Commissioner Meetings

PROJECT ACTION ISSUES - Staff Report, Public Comment, Commissioners' Discussion

1. Possession Beach Waterfront Park –
 - A. Uplands Property Surplus Sale
 1. Market Analysis and Commission Action on Listing Agreement & Details
 2. Review of Sale Process, incl. Criteria and Timelines (incl. min. 96-hr notice for Spec. Meeting)
 - B. Overnight Parking for Marine Access: Hand tags ordered, working on procedures
2. South Whidbey Harbor
 - A. Expansion Project:
 1. *Design & Permit Status Update:*
 - Phase 1A:
 - Shoreline Conditional Use Permit: **Approved** by Wa. DOE on Jan. 12, 2011
 - Coastal Zone Consistency **Approved** by Wa. DOE on Jan. 18, 2011
 - Hydraulic Proj. Appvl: HPA **Approved** by WDFW 12/13/10 but Mitigation Req's under revis.
 - Permitting for Impact Driving: BE Update for Impact Driving in progress for Feb. submittal, per GeoEngineer proposal approved 1/21/11 to meet USACE req.
(Also, Update from Ed's attendance at Pile-driving/Permitting/MMPA Wkshp on 1/25)

- Boarding Floats & Uplands
 - JARPA Resubmittal to USACE: In progress
 - Master Permit Application, incl. SEPA to Langley: Submitted Jan. 31, Initial City response is to *re-approve* prior permits through 12/29/11, with further 1-year extension expected
 - 2. *Property Issues*
 - Coordination with Adjacent Properties and Tribes: Improved response rec'd from DoH
 - 3. *Funding Issues*
 - BIG Application (Phase 1A): Status update if avail.
 - Port Security Grant (Phase 1A): Unofficial approval of Project List: Now for the details...
 - Boating Facilities Grant (Floats only): Project Review on Feb. 24 in Olympia (Dane)
 - 4. *Consortium Coordination*
 - InterLocal Agreement with ICFD #3: Proposed Meeting with Fire Commis TBD
 - InterLocal Agreement with Is. Co. Sheriff: Coordination in progress
- B. Harbor Operations
- 1. *Annual Review of Harbor Regulations*: No revisions proposed (Utility Fees under review)
3. Port Operations
- A. Maintenance & Operational Wrap-up: Submitted to Island Co. and Langley on 2/3/11, USACE on 2/7
 - B. Sound Waters University: Report from Saturday
 - C. Humphrey Rd. Parking Lot: Initial discussion about Parking Lot \$\$
4. Commercial Kitchen at Fairgrounds, incl USDA Rural Business Enterprise Grant (RBEG)
- A. Continuing Communication with USDA: Application to be reviewed per input
5. New Project Opportunities
- A. Sustainable Economic Development and IPZ Issues (Tapert & Gordon)
 - 1. *Potential Langley-area 'Green' Business Park and "Impact Washington" possibilities*
 - B. Ferry/Commuter Issues (Gordon)
 - C. Mukilteo Parking Issues (Gordon)
 - 1. *Parking Garage Concept*

ACTIVITIES/INVOLVEMENT REPORTS

- 1. Economic Development Council (EDC): Tapert
- 2. Council of Governments (COG): Gordon
- 3. Skagit-Island Regional Transportation Policy Organization (RTPO): Gordon
 - A. Response from Port of Coupeville re: Current PoSW term
- 4. Marine Resources Committee (MRC): Jerome
- 5. Washington Public Ports Association (WPPA): Jerome
 - A. Port Day in Olympia on March 14: Commissioner interest?
- 6. Holmes Harbor Shellfish Protection District: Tapert
- 7. Training: "Developing & Managing RFPs and RFQs" c/o Enduris, Wed. Feb. 2 in Arlington (Ed)

OLD BUSINESS

NEW BUSINESS

- 1. Freeland Chamber of Commerce "Business After Hours" to be held at China City offices this Thursday
- 2. Ragnar Relay 2011: Confirmation of Approval for use of Bush Pt (same as prior years)

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

February 8, 2011

Langley, Washington

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

Others Present:

Port Staff: Ed Field (Port Operations Manager), Dane Anderson (Port Finance Manager) and Port Clerk Molly MacLeod-Roberts; **Others:** Alex White (Whidbey Examiner), Sherry Jennings (Langley Chamber of Commerce), and **Clinton Residents:** Clyde Monma, Marcia Monma, Doug Struthers, Pete Andersen, Bruce Buls, Vivian Smith and Michael Smith.

MEETING CALL TO ORDER Following a Workshop from 7:00 p.m. to 7:30 p.m. for informal Commission review of vouchers and recent correspondence, the Regular Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Tuesday, February 8, 2011, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwelton Rd., Langley, WA. Commissioner Jerome, President, called the Regular Meeting to order at 7:30 p.m., followed by the Pledge of Allegiance.

BUSINESS MEETING

1. Consent Agenda

A. Minutes: Minutes from the Public Hearing and the Special Meeting of November 17, 2010.

B. Vouchers: Vouchers audited and certified by the Auditing Officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Board, and have been presented to the Board for review. The vouchers so listed and presented are summarized on the attached Voucher Listing (**EXHIBIT A**).

ACTION: A Motion was made by Gordon and seconded by Tapert to approve the Consent Agenda as submitted, including the authorization and acceptance of Vouchers dated February 8 and February 9, 2011, for a total amount of \$76,645.06. The Motion passed unanimously.

PUBLIC COMMENT – Including Items not on Agenda

1. Uniquely Whidbey South Whidbey Trade Fair: Sherry Jennings (Executive Director, Langley Chamber of Commerce) was on hand to submit and discuss the Uniquely South Whidbey Trade Fair Proposal (**EXHIBIT B**). She briefly reviewed the history of the event and said that the issues of location and perception need to be addressed. For the previous two years, the Trade Fair took place at the Island County Fairgrounds. Jennings said that the location should be more central and in a more accessible space, possibly partnered with another event such as at Bayview Hall during the Saturday Farmer's Market. She explained that by moving it out of Langley, it would help combat the perception that the Trade Fair "had become a Langley-centric event, which it was not." Such perceptions caused obvious friction between communities, which was unfortunate.

Jennings stated that the Uniquely South Whidbey Trade Fair is a Port-sponsored event, directly relating to economic development. Therefore, during last year's grant cycle, she felt uncomfortable applying for grant funds to support a Port project. In the proposal, she said, "I was going to return to the Port after the event and ask that the funding be folded into the Port's budget, not only to sustain it, but also to prevent funds from being taken away from other projects through the grant process."

The newly submitted proposal emphasized that the Langley Chamber of Commerce does not want to see such a worthwhile event go away. It is a great way to showcase South Whidbey's smaller cottage businesses, as well as some of the larger partners. The proposal asks the Port to *"...fold the event into the Port's slate of programs, with the caveat that the Langley Chamber will work with representatives from the Clinton and Freeland Chamber as well as any volunteers to produce the event. This means that a trade fair committee will produce the event, preventing any additional workload on Port staff."* Additionally, they believe that having all three Chambers at the table will help alleviate any unnecessary friction between the organizations.

Port Finance Manager Dane Anderson noted that the Trade Fair is not in the 2011 budget, but the event could be paid for with the existing tourism & economic development funds that are in the budget (Total of \$15,000: \$7,500 for Administration and \$7,500 for Capital).

Tapert explained that the Trade Fair originated with the Port, and that "Uniquely Whidbey" is actually trademarked by the Port. Eventually, the Economic Development Council took it on, and it became the "Biz Expo" and was moved to Coupeville, with the Port contributing to it. After the change in name and location, the South Whidbey community and businesses didn't participate as much as the Port had hoped.

Jerome said there is some demand from South Whidbey businesses to have a Trade Fair down here, so the question is: Is the Trade Fair something the Port wants to take ownership of? He asked Jennings, "If the Port doesn't take ownership of it, do you think it will just go away?" She didn't think so, but it would not be as successful. Port Operations Manager Ed Field pointed out that the Trade Fair's original venue was South Whidbey High School and it was very well attended and pretty popular.

Tapert said, "I think if there's an opportunity to expand the event, the Port should get behind it without taxing Port staff." He suggested a budget item could be added at the next budget cycle for it, rather than including it with the grant applications. He agreed that using the Port to bring the Chambers together at the table is appropriate.

Marcia Monma said she had previously paid for a booth at the Uniquely Whidbey Trade Fair on the south end and the Biz Expo in Coupeville. The one in Coupeville was not very helpful to her business, since most of her clientele is from South Whidbey and didn't attend the Coupeville event. For their business, having the event "down here" would be much better.

Jerome proposed that Jennings should come back with an Application for Funds at the regular March meeting, when the Commission would be prepared to discuss the issue in that context. Jennings said, "I'll be here."

There was no other public comment.

FINANCIAL ACTION ISSUES

1. December 2010 Financial Report: The Commission acknowledged receipt of the December 2010 Financial Statement, which had been distributed to them previously (**EXHIBIT C**).

2. **2010 Annual Reporting:** In progress.

3. **Resolution No. 11-02 – Authorization for \$100.00 Petty Cash Fund (EXHIBIT D):** Anderson explained that establishment of the petty cash fund was to enable Staff to provide change for individuals purchasing an overnight parking permit for Possession, etc.

ACTION: A Motion was made by Tapert and seconded by Gordon to approve and adopt Resolution No. 11-02, providing authorization for the creation of a petty cash fund not to exceed \$100.00. The Motion passed unanimously.

4. **Port Policy Review – Reimbursement for Commissioner Meetings:** The Commission needed to review Commissioner reimbursement for meetings that are Port-related but are not assigned meetings, and provide direction to Staff. Anderson explained that it has been Port practice to provide Commissioners with a per diem for all of the designated organization/committee meetings on the schedule as assigned, but not for meetings that are not assigned and not on the schedule. Commissioners are also entitled to mileage reimbursement. Field noted that there are no specific RCWs that address the issue; it's a case of each individual port sets its own policies and procedures. Some port commissions get reimbursed, some don't. Jerome asked if the Port currently has a policy that states exactly which meetings are reimbursed and Field said there is no written policy. He explained that the practice has been to pay the Commissioners a per diem for attending assigned, regularly scheduled meetings (as Port representative for MRC, COG, RTPO, WPPA, etc.), but not when it was a "one-off" meeting (attending a Ferry Advisory Committee meeting) or a case of a commissioner sitting down with an elected official, etc.

Gordon asked for clarification of the per diem, and Staff explained to Commissioners that it is \$104 for the day, regardless of the length of the meeting or how many meetings are attended during the day. Since there is no policy, Gordon asked Tapert to give some history. Tapert said he has never submitted for any reimbursement, and that it could be called either laziness or just service/contribution. He added, "I just don't think we have a lot of money in our kitty, and I don't think our Port can afford to do that kind of thing. So I don't turn any reimbursement requests, but that's just me." Gordon said, "That's fine. We can use the current understanding, which is to provide a per diem just for the committee assignments." Tapert noted they could add things like the Ferry Advisory Committee to that list of assignments and pay the per diem, as long as the full Commission knows that a Commissioner is assigned to that task and it has been discussed. He added, "But if I want to meet with the Mayor of Langley at the drop of a hat, then that wouldn't qualify for a per diem." Gordon said he wouldn't do that, but there is a difference between that and attending the Ferry Advisory Committee in Coupeville or Mount Vernon at the request of an Island County Commissioner for a whole afternoon. He reiterated that he was fine with reimbursement for assigned meetings only.

Tapert said, "As long as we stay within the budget." It was noted that the budget includes \$8,000 for *Per Diem – Commissioners* and \$1,000 for *Travel Exp. – Commissioners*. Jerome said, "It seems to me the Commission is in favor of providing per diem and travel reimbursement for committee assignments. Gordon said, "But if a Commissioner has an opportunity to benefit the district by taking a day off from work to go to a meeting per a specific request, it might stand to reason that would also qualify for reimbursement." Tapert said, "I think it's up to each Commissioner if they want to submit for reimbursement or not, but I want the travel expense and per diem to stay within our budget and have complete transparency and discussion among the Commissioners. The Commission agreed. Anderson asked the Commission if they wanted to add the Ferry Advisory Committee to the list of assigned committee meetings. Gordon said no, because there probably wouldn't be a seat available on that Committee, but he will attend if asked to provide input as a representative of the Port.

PROJECT ACTION ISSUES

1. Possession Beach Waterfront Park

A. Uplands Property Surplus Sale

1. Market Analysis and Commission Action on Listing Agreement & Details: Anderson referred the Commission to their copies of the Comparative Market Analysis and Exclusive Sale and Listing Agreement prepared by Tom White of Coldwell Banker Tara (**EXHIBIT E**). Commission action is required to either sign or authorize Staff to sign the listing agreement in order to move forward with the sale. The listing price is \$235,000 and the term is from March 8, 2011 until May 9, 2011 (90 days). Jerome said the listing agreement was responsive, and asked if there was any public comment.

Clyde Monma said, "Good luck selling it for \$235,000."

Marcia Monma said, "I found some other comp prices that are way more closer to what the County has assessed property at. The County assessed it at \$48,877. Just a few yards beyond is a guy that bought 9.86 acres in 2007 (so pre-recession dollars) for \$40,000. It's on the same hillside, and has the same issues with geo-hazard, ridge and everything." Field noted that the owner of that property came to the Port to request an easement because he had no access to his property. Monma said he bought access from another property owner. She reiterated that the two properties had the same issues and said, "Fourteen acres...you do the math. It doesn't come close to \$235,000."

Bruce Buls said he had downloaded the Request for Proposal (RFP) for real estate brokerage services from the Port's website, and one thing that struck him right away was the statement: "The Port District of South Whidbey Island has declared as **surplus** a 14 acre parcel..." He said, "It occurred to me that 'surplus' is a really ugly word for a beautiful piece of property. It speaks to something like: unnecessary, unwanted...like old rusted military equipment that you just turn into cash. It doesn't really honor the public space, the habitat and the integral connection with the beach. At a recent meeting, Pat Powell from the Whidbey-Camano Land Trust spoke very eloquently about the connection between the upper part of the property, the waterfront park, the wetlands down by the beach...it's all of a piece, and to call it surplus is to really demean it and undervalue it for what it is. To you guys, it means the value is one thing: money. A few weeks ago, I said to Clyde (Monma): All the Port wants is the money. And Clyde said, No, they want to keep it a park. I told him: If they want to keep it a park, then why don't they protect the Trail? They refuse to put any kind of easement on the upper trail."

Buls continued, "Then I read further down in the RFP where it says you reserve the right to accept an offer lower than the highest price offer if the lower price offer contains provisions to keep and maintain the existing Dorothy Cleveland Trail. So yes, there has been some concession that you recognize the Trail. However, absent any offer to keep the park and the Trail, then the way I read it – you'd sell it anyway. You'd sell it to AT&T, and they can put in a cell tower 150 feet behind the Monmas' house, because to you...it's **surplus**. You don't care if the Monmas have a cell tower in their yard that cuts their property value in half. You don't care that the Trail is destroyed, and that someone else can buy the property with the understanding that AT&T wants a tower up there and hey...guaranteed income! That you are willing to surplus this and let that happen is outrageous. I feel you guys have not been listening to us. We come to every meeting, we make our statements, and you barely put up with it – especially you, Chris (Jerome) – you seem to be not very tolerant of it. But we're going to turn up the volume on this, because it's not just the people here who feel this way. I think this is an opportunity for all of us to really celebrate this piece of land and to understand that it is integral, that it's all part of the park. And yes, you guys **are** in the park business – it's all you've got, is parks. This piece of property from the ridge down is of a piece and it's an important part of the ecosystem, it's an important part of the habitat, and it's important for public access. I don't think it should be considered surplus. As I said at a previous meeting, I don't think the public should have to pay twice. We've already bought the property as the

public, and we as the public, through the Port, built the Trail. I know Curt (Gordon) said it happens all the time, that a public entity sells something to another, but do you know of any situation where a park has been sold to somebody else to maintain it as a park? If so, I'd like to hear about it. I don't think it's an appropriate thing for the public to have to buy it again to keep it a park."

Colleen Lawson said she hasn't been to other meetings so wasn't clear on the details. She asked, *"Is this property being sold because the Port needs the income from the sale or is it that the property requires maintenance that the Port is not able or willing to pay for?"* Gordon said it's a fair question and a little of both of those things is true. He said, "We read the RCWs that specify port districts are not supposed to be in the parks business. The Port of South Whidbey has built a few waterfront parks, waterfront parks can kind of fit in the mandate of the Port if they are providing water access. But a park for the sake of a park is not something that a port district is supposed to be involved in. It's not as much of a 'need the money tomorrow' situation as it is the fairness of trying to do the best we can for the constituents of all of South Whidbey. We need to spread out the assets of the Port, and our budget is pretty much absorbed annually by maintaining the parks that we have. We can't go out and promote economic development and transportation and make this a better place in the way that a port district is supposed to if all of your tax dollars are going to maintain parks." Jerome added, "Or tied up in assets like this piece of property. With all due respect to Bruce (Buls), we've been over these issues a number of times at these meetings and the decisions have been made. The Commission's conclusion was that this piece of property does not fit into what ports are supposed to do. Given that the Port's primary mission is economic development, if we can realize a significant or appropriate amount of money from the sale, it would fall within that mission. The other reason for surplussing the property (and surplus is the technical term we are required to use) is that the only way a parks department or some other entity wants to take it on as a park, the only way it can happen is if the property is first declared surplus." Gordon said that was a really important point, adding, "We shouldn't have it, literally, by law. If South Whidbey Parks and Rec wanted it (and they don't seem to want it), we would have to surplus it to put it in their hands. That's the legal requirement we have. We can't transfer any property unless we surplus it first." Jerome noted, "We also cannot transfer property unless we receive appropriate consideration – that's a matter of law. We can't just give it to somebody else." Lawson asked, *"And if no one comes forward with an offer the Port considers appropriate consideration?"* Jerome responded, "Then we'll have to decide what to do, and the same options would still be on the table. We could still lease the property to AT&T if that's the only viable solution that comes forward, but we're here to see if there is an alternative to that option."

Michael Smith said, *"If you state the property is surplus, you are also basically saying you can't own it because it's uplands."* Gordon said, "No, we can't own it and run it as a park." Smith said, *"But you've publicly stated that it is surplus property for your purposes, so what happens if you don't get what you feel is a fair market value for it and it is now back in your inventory?"* Gordon said, "We would find an economic development purpose for it that would fit our mandate, and you know what the most glaring economic development purpose is." Jerome pointed out that providing cell towers is specifically spelled out in the RCWs as a legitimate use of Port resources. Gordon added, "Beyond that, there is a specific section in the RCWs that says port districts can actually promote communications centers."

Clyde Monma said, *"I've made clear (in writing and saying) a number of reasons why what you're doing is wrong – morally wrong, it's not your mission. And I have raised 6 specific questions that no one on the Commission has answered. So all I can say is that you're not being honest with us, you're not being fair with us, and now to come back and say 'Well, if you don't buy it as a park we're going to put up a cell tower' is a slap in the face and I don't appreciate it at all."* Jerome noted that Monma had brought up the 6 points a number of times, and said, "I would just refer you to the record – the questions are answered in the record." Monma responded, *"They absolutely aren't, and you know they aren't."* Jerome reiterated, "I think you'll find it's in the Minutes."

There was no other public comment.

ACTION: A Motion was made by Gordon and seconded by Tapert to authorize Port Staff to sign the Exclusive Sale and Listing Agreement with Coldwell Banker Tara. The Motion passed unanimously.

2. Review of Sale Process, including Criteria and Timelines (including minimum notice for Special Meeting): Anderson noted that the Port has two or three interested parties, and Staff needs direction on how to handle those parties if and when offers come in (are they informed of the amount of offer so they can counter, etc.). Field said the process also needs to be defined, so if someone walks in tomorrow and offers “x” amount of dollars, Staff can tell them that the Port will respond in “y” amount of hours or days. A special meeting will be required to discuss any offer, with a minimum 24-hour public notice.

Gordon thought they needed to go into Executive Session because he needed to ask some questions and discuss specifics about those two interested parties, and that discussion relates to the potential price of the property. Tapert felt that the Port is going toward a hybrid between a Listing Agreement and an auction, and it seemed to him that it should be one or the other. If it’s a Listing Agreement and an offer comes forward, we could at any time review that offer or we could wait until the end of the Listing Agreement and postpone a decision until then (more like an auction). He added that he was leery of showing any preference to a potential buyer (such as the 2 interested parties already mentioned) based on who they might be, he’d like to see what the conditions are and he would prefer the process to be somewhat blind. Gordon agreed, and reiterated that an Executive Session was necessary to discuss those conditions.

ACTION: A Motion was made by Gordon and seconded by Jerome to go into an Executive Session for an expected duration of 10 minutes to discuss the parties interested in the purchase of the Possession property because it may affect the price of the property. The Motion passed 2-0, with Tapert abstaining from voting.

EXECUTIVE SESSION

The Board of Commissioners went into Executive Session at 8:27 p.m. for an expected duration of 10 minutes. The Board came out of Executive Session at 8:37 p.m. and returned to the open public meeting.

A. Uplands Property Surplus Sale (continued) Now that the Board has authorized Staff to sign the Listing Agreement, Anderson explained he will do so and notify those parties who have previously expressed interest in the property that the property is now officially for sale and the Port is accepting purchase offers. Staff will review any offers as they come in, and notify the Commissioners of the receipt of an offer. The Board will then schedule a Special Meeting to discuss and review the offer(s). As required by the Revised Code of Washington, notification of the Special Meeting will be publicized as usual. If an offer is received with a “short trigger” requiring a response earlier than 48 hours, Staff will explain to the potential buyer that the time must be extended in order to have at least 48 hours to schedule and provide notification of the Special Meeting and would prefer at least 96 hours (to accommodate weekends, etc.).

During a Special Meeting, Anderson explained that the Board has the opportunity to go into Executive Session in order to discuss items that could affect the purchase price of the property, but the decision as to whether or not to accept any offer must be made during the public session of the meeting. No action can be taken and no decisions may be made during an Executive Session.

B. Overnight Parking for Marine Access: Hang tags ordered; working on procedures. Field said the new program should be ready to go in conjunction with the start of boating season.

2. South Whidbey Harbor

A. Expansion Project

1. Design & Permit Status Update

➤ Phase 1A

- Shoreline Conditional Use Permit: Approved by Washington Department of Ecology (WDOE) on January 12, 2011.
- Coastal Zone Consistency: Approved by WDOE on January 18, 2011.
- Hydraulic Project Approval (HPA): Approved by Washington Department of Fish & Wildlife (WDFW) 12/13/2010, but Mitigation Requirements under revision. Joe Callaghan of GeoEngineers has been working with Doug Thompson of WDFW, who has requested another HPA document that ties the restoration of the eelgrass under the old Hein dock as mitigation for the “illegal” parking of the breakwater outside the Langley Harbor. Once he has that document, Thompson said he would revise the original HPA to take out the other excessive mitigation text per Callaghan’s request. At that point, the elimination of the shading and removal of the piles of the old Hein dock will serve as mitigation for all of Phase 1 (G and D docks).
- Permitting for Impact Driving: Biological Evaluation (BE) update for impact driving in progress for February submittal, per GeoEngineer proposal approved 1/21/11 to meet U.S. Army Corps of Engineers (USACE) requirements.
- Update from Field’s attendance at Marine Mammal Protection Act/Endangered Species Act/Pile Driving/Permitting Workshop (with Washington State Department of Transportation (WSDOT) and Washington Public Ports Association on 1/25/2011 in Tacoma): Field said it was “a fascinating experience.” About 40 people were there, including half a dozen from the Washington State Dept. of Transportation (WSDOT), seven from the U.S. Navy, people from King County, from small ports (Port of Allyn), big ports (Ports of Seattle and Tacoma), etc. He said that basically there were 40 people from 20 different agencies all trying to drive piles in Puget Sound. Field said, “We’ve been talking about the impact hammer driving problem. Well, the folks at NOAA (National Oceanic and Atmospheric Association) back in Washington, D.C. have now decided that marine mammals are harmed by 120 decibels laboratory noises, which is down from 160 decibels impact noises. Suddenly, the potential marine mammal monitoring area when you’re driving piles with a vibratory hammer just got bigger. And what’s really scary is that if 120 decibels is harmful to marine mammals, there are areas in Puget Sound such as Deception Pass where the background level is at 144 decibels. It’s one of those ‘ivory tower decisions’ that could absolutely kill every project in the field. For example, there is one project that has just 9 piles to drive and they’re dead in the water. The monitoring zone for the Keystone ferry terminal reaches all the way down to Gig Harbor for the zone of influence. What the workshop attempted to (and WPPA is participating in) is to try to push back and say: this is ridiculous, we’re not trying to kill mammals, we have to be able to finish our jobs using reasonable science.”

➤ Boarding Floats & Uplands

- Joint Aquatic Resources Permit Application (JARPA) Re-submittal to USACE: In progress.
- Master Permit Application, including State Environmental Policy Act (SEPA) to City of Langley: Submitted January 31, 2011. Initial City response is to re-approve prior permits through 12/29/11, with further one-year extension expected.
- WDFW would really like the inner float moved out so there is more of a sandy beach zone and a longer gangway leading out to fewer floats rather than more floats near shore and a

shorter gangway. Anderson explained that the current design has three 20-ft floats with a 30-ft. gangway with 4 piles holding them. WDFW suggests the Port remove the land-most float forward and extend the gangway, since it won't be used much anyway due to the tidal situation there. The result would be less coverage, a longer gangway and one fewer pile to put in, so in the grand scheme of things it is "almost a wash" as far as dollars go, costing about \$10,000 more. Staff is working with Reid Middleton on it. Field said, "I spoke with Shannon (Kinsella) of Reid Middleton at length this morning about where we're at as far as design goes." The permits are in for the boarding floats and the permit process is going for the over water project. She agreed that now was a good time for Reid Middleton to pause, until we know what our budget is and what we can afford to build, etc.

2. Property Issues

- Coordination with Adjacent Properties and Tribes: Improved response received from Department of Health (DOH). Field reported that DOH had improved the closure zone. Although it would have been nice if they had reeled back the existing condition, that's probably not going to happen. Joe Callaghan of GeoEngineers thinks we've made as much progress as we can on the issue for now.

3. Funding Issues

- Boating Infrastructure Grant (BIG) Application (Phase 1A) – Status Update: As previously noted, the expectation was that applicants would receive the ranking information from the Federal Dept. of Fish and Wildlife in January with funding availability in April, but Anderson reported that no information has been received yet.
- Port Security Grant (Phase 1A) – Status Update: Unofficial approval of Project List. Anderson reported that the Port has responded by completing and submitting all the requested forms. The Port is now waiting on receipt of the funding agreement from FEMA. The grant total is \$1.8 million, of which about \$1.4 million is the Port's with a 25% match.
- Boating Facilities Grant (Floats Only): Anderson will provide the Project Review on February 24 in Olympia. He will present the project to the Recreation & Conservation Office (RCO) for their review, and the RCO staff in turn will provide pointers on how to best present it to the Evaluation Committee in March. Funding availability will be in June. Anderson explained that if we get the funds, the work on the floats could be done in the next fishing window (at least one year ahead of Phase 1A), but they can discuss that further at a later time. Field said he would be joining Anderson when they present the project to the Evaluation Committee.

4. Consortium Coordination

- InterLocal Agreement (ILA) with Island County Fire District #3 (ICFD #3): Proposed meeting with Fire Commission to be determined.
- InterLocal Agreement with Island County Sheriff: Coordination in progress.

B. Harbor Operations

1. Annual Review of Harbor Regulations: No revisions proposed. (Utility Fees under review.) The recent electric bills have been significantly higher than anticipated, so Field, Anderson and Harbormaster Rick Brewer are reviewing the Utility Fees. Staff anticipates initial discussion of changes at the regular March meeting, with approval at the regular April meeting. Anderson also presented Harbor Occupancy data (**EXHIBIT F**) along with notes on the information. In 2010, Overall Occupancy was 68%, Transient Occupancy was 35%, and Monthly/Seasonal/Annual Occupancy was 91%. The purpose for the analysis is to support future decisions regarding how to allocate additional moorage space. Anderson said he would continue to track the occupancy and encouraged the Commission to contact him if they had any questions.

3. Port Operations

A. Maintenance & Operational Wrap-up: Submitted to Island County and City of Langley on 2/3/11, USACE on 2/7/11. Rather than a SEPA for each of the sites, the County will review one SEPA for all sites along with an individual Shoreline Exemption Permit for each of the 3 County sites. The same package has been submitted to the City of Langley. The County fees are included in the vouchers signed earlier; the City fees are not known yet. Field explained that we are still cleaning the ramp in Langley under the existing emergency use exemption, but we have stopped cleaning the ramp at Possession, pending issuance of permits. He said, "We should be back in business by April, in time for boating season."

B. Sound Waters University –Report from Saturday: Field manned the Port booth in the morning and Anderson took the afternoon shift. The event was very well attended and productive.

C. Humphrey Road Parking Lot – Initial Discussion about Parking Lot \$\$: Anderson noted that the Norman Group's lease for the parking lot is up in June. He and Field met with Patty Norman and her daughter, and the Norman Group would like to renew the lease. Anderson asked Norman to tell us what her capital investment costs were for the facility, so that any individuals who might want to take over that lease or bid on it would have that information. Subsequent to that meeting, both Anderson and Field have conducted a census of the parking lot use by counting cars around 11:30 a.m.-12:30 p.m. and again around 5:00-6:30 p.m. Anderson came up with a Humphrey Road Parking Lot Analysis (**EXHIBIT G**) that included the average number of users in 3 different categories: Daily, Quarterly/Permit, and the Washington State Ferries. After averaging those out over for the week and multiplying over they year, both Anderson and Field were surprised that even with a 5% "freeloader factor" (people who park without paying), there is still a "\$34,000 chunk of revenue coming into that facility." Anderson noted that it was a February review, and the assumption is that it would most likely go up in the summer high-use season.

The second page of the analysis compares the Port's Actual 2010 Actual revenue and expenses compared with a Pro Forma based on the revenue data derived from the analysis, with assumptions regarding payroll, etc., for the Port to manage the parking lot in-house. The 2010 Actual Net Income total was \$4,507; the Pro Forma Net Income was \$11,065. The third page compares the 2010 Actual to a Pro Forma that includes raising the rates 100%: 6 hours would cost \$2 (up from \$1), 6-12 hours would cost \$4 (up from \$2), and 12-24 hours would cost \$5 (up from \$3). The quarterly fee would increase from \$80 to \$95. The Pro Forma Net Income for that jumps to \$34,665. Jerome noted that the increased prices would still be lower than the parking lot next to the ferry dock.

Staff is therefore recommending that the Port should go ahead and do an RFP for the parking lot lease, but also reserve the right to reject all offers if the Commission determines the Port should take over the operations of the parking lot. Gordon asked whether the parking lot could be run using current Port staff, and Field said two Port employees have preliminarily said they'd be willing to. Gordon suggested that the Port could run it for a year and see how it goes, and skip the RFP. Tapert suggested considering combining the landscape maintenance responsibility for Clinton Beach Park with management of the parking lot. Field noted the landscape contract for 3 facilities went out to bid last year, and the lowest bidder was awarded the contract for landscape maintenance of Clinton Beach, Humphrey Lot, and Phil Simon Park. Gordon agreed it would be a good idea to look into the possibility of having an existing staff person do the landscape maintenance and manage the parking lot.

The Commission agreed they should prepare to send out an RFP in March to see if any offer is superior to the Port taking it in-house.

4. Commercial Kitchen at Island County Fairgrounds, including USDA RBEG (Rural Business Enterprise Grant)

A. Continuing Communication with USDA: Application to be reviewed per input. Anderson reported that we finally have verbal confirmation that we have applied. Now, we wait.

5. New Project Opportunities

A. Sustainable Economic Development and IPZ (Innovative Partnership Zone) Issues (Tapert)

1. Potential Langley area “Green” Business Park and “Impact Washington” Possibilities: Tapert said Ron Nelson of the EDC had a business looking for a 20,000 sq. ft. warehouse space on the south end. Since there isn’t one, Tapert feels our district is not prepared to be competitive in getting those types of employers. Subsequently, he spoke with Langley Mayor Paul Samuelson about the idea of working with private property owners through the EDC and potentially pre-permitting their site, at least through environmental review. Then if an employer wants to come put in a warehouse, they wouldn’t have to go through the SEPA process, they would just submit their site plan, get their permit and they are good to go. Tapert said if the Port could get the County and Langley to commit to doing that on a few candidate sites, then we’d be that much farther ahead in getting the opportunity to draw employers here.

B. Ferry/Commuter Issues: (Gordon) Gordon attended a Ferry Advisory Committee meeting as a Port representative per the request of Island County Commissioner Helen Price-Johnson, along with the Langley and Coupeville mayors and other county commissioners. They are sending FAC Chair David Hoogerwerf to Olympia to share feedback and input from the committee with the Governor and legislators.

C. Mukilteo Parking Issues (Gordon)

1. Parking Garage Concept: Gordon said he is still “pecking away with the City of Mukilteo.” He had asked for clarification of the City’s zoning and whether or not it would be legal to a) park cars on the existing lot and b) build a parking garage structure there, and eventually they sent him several pages of zoning code information. He will continue looking into it and eventually make a presentation.

ACTIVITIES /INVOLVEMENT REPORTS:

1. Economic Development Council (EDC): (Tapert) Nothing to report.

2. Council of Governments (COG): (Gordon) At the last meeting, Price-Johnson had invited some individuals from the Puget Sound Partnership (PSP) to make a presentation to start a localized committee session that would report to the regional PSP group. At least two members of the COG had major criticisms of PSP, and Gordon said the COG subsequently agreed to have another session specifically to address the issue.

3. Skagit-Island Regional Transportation Planning Organization (RTPO): (Gordon)

A. Response from Port of Coupeville re: Current Port of South Whidbey term: Gordon said most of the meeting was focused on readdressing concurrency standards on Whidbey Island.

The Port of Coupeville and the Port of South Whidbey have just one voting seat on RTPO, and the agreement in place is that it alternates between the ports every two years. Staff recently realized that Coupeville had inadvertently taken the voting seat for the past 3 years, and requested that the Port of South Whidbey hold the voting seat for the next 3 years, and then return to the 2-year rotation. The Port of Coupeville Board responded via letter (**EXHIBIT H**) that the Port can have the voting seat only for the next 2 years; not 3 years. Staff was directed to notify Coupeville that was fine

4. Marine Resources Committee (MRC): (Jerome) Jerome attended the Education Meeting of the MRC, and Mike McVay was there to discuss public access to beaches and access points. Jerome encouraged him to submit a grant application for the project. The MRC has proposed sending a letter to our state representatives and senator regarding House Bill 1186 (**EXHIBIT D**), concerning the requirements under the state's oil spill program. The MRC strongly supports HR 1186 and lists two points they feel should be necessary elements of the bill: 1) Oversight of capability, training and equipment of commercial responders or contractors is retained by the Unified Command of the Coast Guard and the Department of Ecology, and 2) A volunteer coordinator position within Department of Ecology is supported to improve utilization of local emergency response organizations and local communities in response planning and implementation. Jerome anticipates the proposed letter coming up for a vote at the next Business Meeting, and he is in favor of signing it. The Commission agreed.

5. Washington Public Ports Association (WPPA): (Jerome) Jerome asked if anyone else receives the WPPA Legislative Update that is emailed weekly, and Gordon, Field and Anderson said they did. He said there are several items of interest in the most recent version, including the possibility that HPAs may "go away" and that ports might be forced to post minutes (even draft versions) within 15 days of a meeting. There's also a proposed 7% preference to Washington State contractors for pre-fabricated, off-site items.

A. Port Day in Olympia on March 14: Gordon and Jerome indicated they would like to attend. Anderson said he would forward the agenda, confirm their attendance and work to schedule appointments to meet with our legislators during the day.

6. Holmes Harbor Shellfish Protection District (HHSPD): (Tapert) No report.

7. Training – "Developing & Managing RFPs and RFQs" c/o Enduris: Field attended the one-day session on Wednesday, February 2, 2011 in Arlington and said it was a good seminar. One key thing learned is that the Washington State laws for projects are completely different than the Federal laws and requirements, which was discouraging.

OLD BUSINESS: None.

NEW BUSINESS

1. Freeland Chamber of Commerce "Business After Hours": To be held at China City offices on Thursday, February 10, 2011.

2. Ragnar Relay 2011: The Commission confirmed approval for use of Bush Pt. (same as prior years).

ADJOURNMENT: The meeting was adjourned at 10:00 p.m.


Approved:


Commissioner Chris Jerome, Langley


Commissioner Curt Gordon, Clinton


Commissioner Geoff Tapert, Freeland

Minutes prepared by:


Edwin S. Field, Port Manager

- Exhibit A: Voucher Listing
- Exhibit B: Langley Chamber of Commerce Proposal for Uniquely South Whidbey Trade Fair
- Exhibit C: December 2010 Financial Statement
- Exhibit D: Resolution No. 11-02: Authorization of \$100.00 Petty Cash Fund
- Exhibit E: Comp Market Analysis and Exclusive Sale & Listing Agreement by Coldwell Banker Tara
- Exhibit F: Harbor Occupancy Data
- Exhibit G: Humphrey Road Parking Lot Analysis
- Exhibit H: Port of Coupeville letter dated 1/12/11 re: RTPO representation
- Exhibit I: MRC letter of support for House Bill 1186