

**AGENDA**  
**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND**  
**SPECIAL MEETING of the BOARD OF COMMISSIONERS**  
**Thursday, April 14, 2011 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

South Whidbey Harbor Expansion Project

1. *Review of Current Initial-phase Concepts and Commission Direction for Further Action:*
  - DG Breakwaters: 400' D and 220' G Breakwaters, with G-fingers as Bid Alternate, Includes Port Sec. Grant, Construction anticipated in 2012
  - Breakwater Solo: 400' Breakwater with Gangway only, Presumably without Port Sec. Grant, Construction anticipated in 2012
  - Phase 1 Alternate: D & G Breakwaters with E Dock Includes Port Sec. Grant but requires add'l funding, Construction in 2013+
2. *Phase 1 Permit Status:*
  - Hydraulic Proj. Appvl: HPA **Approved** by WDFW (Issued 2/13/10, revised 3/8/11) and follow-up HPA for Temp. Breakwater Parking **approved** by WDFW (Issued 3/4/11, revision being coordinated by Joe/Geo).
  - USACE Permitting: JARPA **submitted** Aug, 2009 under review, review pending MM & MM Protection Plan from Geo (authorized by Commis. on 3/29/11) to be submitted before 4/21/11.
3. *Boarding Floats & Uplands Permit Status:*
  - Permit Extension Request to USACE: Revised JARPA **submitted** 2/22/11, now pending
  - Master Permit Application to Langley; City **approved** prior permits (incl SCUP, etc) through 12/29/11, with further 1-year extension **pre-approved**.
  - DOE Water Qual. Cert & CZM: Valid through 12/29/11, with one-year extension **pre-approved**
  - HPA: #122942-2 **Approved** on 3/3/11, with 30% grating requirement.
4. *Property Issues:* No update
5. *Funding Issues*
  - Port Security Grant (Phase 1A): Unofficial approval of Project List: Now for the details...
  - Boating Facilities Grant (Floats only): Project Review input from 2/24, Evaluation on Apr. 19
  - Other Capital and Revenue Sources / Budget Review
6. *Consortium Coordination*
  - InterLocal Agreement with ICFD #3: Coordination in progress.
  - InterLocal Agreement with Is. Co. Sheriff: Coordination in progress

3. ADJOURNMENT

## **PORT DISTRICT OF SOUTH WHIDBEY ISLAND**

Minutes of the Special Meeting

April 14, 2011

Freeland, Washington

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

**Others Present:**

**Port Staff:** Ed Field (Port Manager), Dane Anderson (Port Financial Manager) and Molly MacLeod-Roberts (Port Clerk); **Others:** Tony Puma, Boatyard Inn Co-Owner

**MEETING CALL TO ORDER:** The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Thursday, April 14, 2011, at the Port office conference room at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting was to conduct a workshop for Commission and Staff review and direction on design and permit issues for the South Whidbey Harbor Expansion Project. Although the Meeting was of course open to the public, this Special Meeting was scheduled to enable the Commission to fully review project details with staff and to address scoping, prioritization and direction for the designers and staff, and public participation was not on the Agenda. Commissioner Jerome, President, called the Special Meeting to order at 9:10 a.m., followed by the Pledge of Allegiance.

### **PROJECT ACTION ISSUES**

Per Commissioner Gordon's request, the agenda was reordered to discuss **5. Funding Issues** first. He especially wanted to discuss the Port's bonding capacity. He said there are two issues to discuss: the Resolution made to bond only a percentage of the Port's tax proceeds, and the Commissioners' individual comfort level in terms of ongoing expenses and what amount would be acceptable to bond. Gordon said that in addition to GO (General Obligation) bonds, they should also discuss Revenue bonds. He wants to start with the same base budget and extrapolate out for 20-year models. He explained that as a Commissioner, for him to approve either kind of bond he first needs to know what is the worst-case scenario so he can "get a comfort level as to what we can bond for." Port Finance Manager Dane Anderson said that at the current level without any changes to the operations budget, the Port's maximum bonding capacity is \$1.2 to \$1.4 million for GO bonds. Realistically, we don't have a capacity for Revenue bonds because we don't even have enough revenue to cover the current operations of the facilities that generate revenue. He said that under the current budget, our GO bond capacity is \$1.37 million for 20 years at 4.75% (payments of \$107,000 per year). Gordon noted that the Port receives about \$500,000 in property tax revenue per year, so that leaves an operating budget of just \$383,000 per year. It doesn't project any increase in revenue or decrease in loss.

Gordon said, *"To bond for \$1.37 million, we either have to cut back on what we have or be very confident that there are going to be revenue increases. But even if we project increases and the world turns on a dime and nobody wants to lease slips...then we have to be prepared for the worst-case scenario. Even though the models show we can bond \$1.4 million, we need to be prepared if the projections don't come out right. We might have to make staff changes, close boat launches, etc. – those are the only flexible points we have available."* Anderson pointed out that the Port is bound by funding contracts to keep the boat ramps open to the public, so closing them is not an option.

Anderson said he would be happy to review each of the financial models and said, *"This all boils down to two questions: 1) How close do you want to get to the bone on the budget for what project you want to build, and 2) Is it an option to increase Port District revenue in order to build the project?"*

Noting Gordon's concern about having enough money to repay the bond, Jerome said his understanding is: *"If we go with a cash flow positive or cash flow neutral model for the South Whidbey Harbor, we eliminate the current \$45,000 annual loss from the Harbor operations."*

Port Operations Manager Ed Field interjected, *"The other piece to discuss is that the big variable every time is the construction cost. We've got reasonable projections for each of the 3 scenarios to be discussed today. As we get into each of the scenarios, I want to discuss the issue of risk and the scope of the project, because they are very closely related. The bigger the project, the bigger the risk and the less accuracy in guessing what bid numbers will be. With smaller projects, the risk is more controllable and we would have a better idea about what the bid numbers are going to be."*

Gordon asked if the Port went out for a bid and determined not to go ahead with the project because the numbers were too high, could the Port still get reimbursed from \$0.09 funds for Reid Middleton's work? Anderson said no, because the InterLocal Agreements associated with that grant refer back to the application. That application identifies what will be built and the Port had to develop economic impact parameters and expectations based on that. Gordon noted that the Port could gamble and use existing operating reserves to go out for bid. Then if the Port doesn't go ahead, the Port doesn't get any reimbursement from \$0.09 funds but we also don't go ahead with the project.

**Tony Puma** (Boatyard Inn) said that he, Jim Pensiero (Saratoga Inn) and Paul Schell (Inn at Langley) generate \$127,000 annually in hotel/motel taxes, and they believe 1/3 of that money should go to the South Whidbey Harbor Expansion Project. He said that would help the Port's bonding considerably. The mayor of Langley has said the allocation of that money is part of the city's budget process, which begins this summer. The Port would need to present their case and compete with other things, but Puma said the mayor has indicated that he agrees that some portion of that money would be legitimately spent on this activity. Puma asserted, *"The hotel/motel tax is supposed to go to projects like this, but they are basically wasting it away on a bunch of little projects to every little organization in town, and everyone has his beak into the fund (the cops get some, the fire department gets some, WICA got \$10,000, etc). But the fact is that there are some projects on the list today that are one-time deals, such as \$20,000 for the Langley signage project, that will not be requested again. My goal would be to get \$40,000 of the hotel/motel taxes committed to the SWH Expansion Project. I hope that that would add scope, or at the very least give you comfort to go ahead with this. I just wanted to let you know that we are after that."* Gordon responded, *"If they could guarantee more than one year of something like that, that would be significant."*

### **South Whidbey Harbor Expansion Project**

**1. Review of Current Initial Phase Concepts and Commission Direction for Further Action:** Anderson provided a review of the Financial Scenarios (FS) (**EXHIBIT A**) for each of the following concepts, while Field provided a review of the operations and construction issues for each.

**A. DG Breakwaters - 400' D and 220' G Breakwaters, with G-fingers as Bid Alternate, includes Port Security Grant, Construction anticipated in 2012 (**EXHIBIT B**)**

Anderson noted that DG Breakwaters without the fingers (FS #1 and #2) is tough because the Harbor doesn't break even. The Cost Estimate is \$4.15 million.

- FS #1 does not include any changes to the operations or capital budgets, includes a \$0.02/\$1,000 assessed value levy increase, a bond debt of \$1,236,5134, and estimated ending cash in 2020 is \$543,120.

- FS #2 includes the sale of the Possession property and elimination of the Langley boarding floats project in the capital budget, and elimination of managers' salaries and reduction of maintenance budgets in the operations budget. FS #2 does not include a levy increase but includes a bond debt of \$1,370,250, and the ending cash in 2020 is estimated at \$439,444.

For DG Breakwaters with G-fingers (FS #3 through FS #7), the estimated cost is \$4.39 million.

- FS #3 does not include any changes to the capital budget, includes changes to the operations budget for a cell tower lease and Humphrey Road parking lot revenue, a levy increase of \$0.03/\$1,000, and bond debt of \$1,816,850. Ending cash in 2020 is estimated at \$1,180,277 and the overall annual cash flow for the Port is positive.
- FS #4 includes elimination of the Langley boarding floats project and the sale of the Possession property in the capital budget, and includes Humphrey Road parking lot revenue, elimination of Bush Pt./Clinton Beach and Possession managers' salaries, and additional reduction of the operations budget. FS #4 also includes a bond debt of \$1,613,850, and ending cash in 2020 is estimated at \$595,320. Overall annual cash flow is positive through 2022.
- FS #5 includes elimination of the Langley boarding floats project and the sale of the Possession property in the capital budget, and eliminates site managers' salaries and reduces maintenance in the operating budget. Pre-sales of long term leases (15-year leases sold for \$150,000) would provide \$1,335,962 in funding, and the bond debt would be \$257,848. Ending cash in 2020 is estimated at \$936,252 and overall annual cash flow is positive.
- FS #6 includes elimination of the Langley boarding floats project in the capital budget and includes the cell tower lease and Humphrey Road revenue in the operations budget. It does not include a levy increase and the anticipated bond debt is \$1,816,850. The 2020 ending cash balance is estimated at \$197,419 and the overall annual cash flow is negative.
- FS #7 includes elimination of the Langley boarding floats project in the capital budget, eliminates facility managers' salaries and reduces maintenance in the operations budget. It includes the cell tower lease and Humphrey Road revenue. The bond debt is projected at \$1,816,850 and the 2020 ending cash balance at \$567,258. Overall annual cash flow is positive through 2021.

*B. Breakwater Solo - 400' Breakwater with Gangway only, presumably without Port Security Grant, Construction anticipated in 2012 (EXHIBIT C) (FS #9 and #10):* The estimated cost is \$1.97 million.

- FS #9 is based on the current operations and capital budgets, without any changes. The estimated bond debt is \$781,550. The 2020 ending cash is estimated at \$331,092. The overall annual cash flow for the Port District is positive only until 2015, and the Harbor cash flow is negative in this scenario.
- FS #10 includes elimination of the Langley Boarding Floats project and the sale of the Possession property in the capital budget, and elimination of site managers' salaries and reductions in maintenance budgets for Bush Pt., Clinton Beach and Possession in the operations budget. The bond debt in FS #10 is \$578,550 and the 2020 ending cash is \$807,523. The overall annual cash flow for the District is positive, but the Harbor cash flow is negative.

*C. Phase 1 Alternate - D & G Breakwaters with E Dock, includes Port Security Grant but requires additional funding, Construction in 2013+ (EXHIBIT D) (FS #8):* The estimated cost is \$9.39 million.

- FS #8 includes other capital projects in the analysis: acquisition and Phase 1 development of parking in Mukilteo (\$650,000) and acquisition of a Freeland facility (\$300,000). The operations and maintenance budgets remain unchanged. It includes a bond debt of \$7,196,545 and a levy increase of \$0.09/\$1,000 assessed value. The 2020 ending cash is estimated at \$1,397,704.

Jerome said, "If I understand correctly, with the smaller projects, the increase in revenue does not keep up with increased expenses, but with the larger projects, it's more likely." Anderson noted that there is an economy of scale with the larger projects. Jerome noted that the bond debt in FS #5 is significantly lower than the previous scenarios, so they could conceivably trade off fewer long-term leases for a higher bond debt. He

asked if the long term leases hit the Harbor's operating income, and Anderson replied, *"Conceptually, what happens is we get a huge increase in 2012 and then we lose that revenue for another 15 years on those slips."* Jerome summarized it as, *"So after 2020, things start to go pear-shaped. Things start to look worse the further out you go – the long-term leases have a more negative impact the further out you look."* Anderson agreed. He noted that the \$150,000 lease payment equates to \$17.50 per month per foot, and the most expensive rate for a 50-ft. slip in today's market is only \$13.80. Gordon agreed that \$150,000 was not practical. Jerome noted that FS #5 also contains major changes to the capital and operations budgets.

Regarding the DG Breakwaters concept, Field said, *"As far as construction goes this is a medium-type project with respect to the other two. The project will be medium risk, so the bidding contingency shouldn't be bad, but they're not going to be great. There are not a lot of opportunities on either the design side or the construction management side to encourage bidders to make good bids or for design creativity."* Field thought the estimate provided was reasonable for the scope of work, and he would not expect dramatic variations or savings.

Gordon asked if the Port could get bid documents for \$300,000 and do it with our own money, and Anderson noted that \$160,000 was budgeted this year to get to bid docs. In order to be "ready for business in 2013," Field explained that the Port would need to go out to bid late 2011/early 2012. The contract and award process would then take 1-2 months, followed by a 2-month shop drawing process and another 2-3 months for fabrication. The project would need to be well into fabrication by mid-summer so they can start driving piles and setting anchors in order to launch in the fall of 2012 and be done by February 15 (fish window). If we miss the window of going out to bid by Jan./Feb 2012, we are less likely to get a good bid and a good contractor. Once bids are opened, Field said the Port would have roughly 30 days to decide to proceed and notify the winning bidder. With regards to the Port Security Grant, he cautioned that it is not common to sign construction contracts until all the funding is in place. Anderson noted that if the phrase "this project contingent upon available funding" is included in bid documents, the bids go through the roof.

Anderson explained that the Coast Guard's agreement with the \$1.4 million Port Security Grant (PSG) (included in the financial models) was based on "the big Phase 1" project. The 180' connector float to the breakwater and upland improvements are components of Phase 1 that would be partially paid for with the PSG. When the Port signs a funding agreement with FEMA, Anderson noted that the Port would be presenting a different configuration and at that point the whole budget discussion will come up. Anderson said, *"I'm not sure I can make the components of the facility that FEMA is paying for add up to \$1.4 million. I don't know that I can; I don't know that I can't. Some of it will depend on negotiations with the fiduciary agent."*

Jerome said, *"After reviewing the concepts and financial scenarios, my sense is that there is not a scenario here that does not involve increased revenue that makes sense."* Field said he would like to discuss the Breakwater Solo numbers first, and finish discussing Phase I Alternate. He said the Phase I Alternate concept is a big project and they might see some economies of scale and get reasonably good bidding, but the project would probably have the least confidence in what the bid numbers come in at. He concluded, *"I think what we might see is improved bids because it's a nice big project, balanced by rising commodity prices (steel, concrete, etc.). The parking issue would be a major one with the City of Langley and would require re-discussion that could take quite a lot of additional time."* Gordon disagreed with Jerome's comment and said, *"I think the \$4.3 million project (DG Breakwaters with G-fingers) is within our bonding ability, because I believe we can make structural changes to the base administrative costs of the District."*

Regarding Breakwater Solo, Anderson pointed out that the presumption is that the Port would not receive any money from the Port Security Grant. From an operating perspective, the Harbor continues to lose money (\$7,000 per year), but that is less than the current annual loss (\$45,000 per year). In FS #9, the Port District as a whole under the current structure (no changes in operating expenses) would be cash flow positive (\$5,000/year) through 2015, and then would go negative. FS #10 includes major changes in operations and

would result in positive cash flow for the Port, but negative cash flow for the Harbor. He noted that all the financial models include revenue from the Humphrey Road parking lot at the current rates, without any increases. Jerome noted that an increase in rates could more than offset the loss at the Harbor. The financial models that don't include the sale of the Possession property have \$800/month in revenue for a cell tower. He reiterated that the financial models are conservative.

Field said, *"The bottom line on this (Breakwater Solo) is \$1.97 million. I would be frustrated if we came up with bids that high. If we take this approach, this would be the economy model. The intent is to get the breakwater launched to start serving the public – quality service but at as little expense as possible. It would be a first step. There are a lot of plug numbers and safe numbers in the \$1.97 million in order to make all the models comparable (apples to apples). For example, the electrical and lighting refurbishment at the Harbor is still included at \$114,000 and then there are mark-ups to get it to a prime contractor. Some of the work (electrical evaluation and repairs, etc.) could be done ahead of time by small contractors (not in the main contract) and would be at straight numbers, not marked up numbers."* He noted that the \$1.97 million includes a 15% contingency (nearly \$250,000). He added, *"There's not a lot of risk in this project. We're not fabricating anything new. There aren't as many risk factors such as production or commodity costs. I think we could get some real aggressive bids for a nice, pared-down small project. There shouldn't be issues with permitting, the risk factors on the bidding are the lowest, the scope is smaller, and the bid amounts should be more predictable than with the other concepts."* He would really hope that the total cost is less than \$1.97 million, because this concept lends itself to cost-cutting and economizing. Jerome noted that it would also get the Hein dock out and get the breakwater launched. He noted that if the Port put in the boat ramp floats and got the breakwater in place, they would have met the requirements of the InterLocal Agreement with the City of Langley.

Jerome summarized that Breakwater Solo has a chance at being less cash-flow negative than the Harbor is currently, and the Harbor could potentially break even. He continued, *"It satisfies the ILA obligations, and it is sustainable long-term if we never get a dime from anybody (until the stockade has to be replaced). It gets a lot done, it's responsible, and we've still got a viable Port District when we're done with it. What I'm hearing from Staff is that there are ways to make this work. On the other hand, most of the other scenarios basically require a levy lift."* Gordon disagreed. Jerome said, *"My sense is that they do, and if we want to do that, our best chance (absent an IDD) is to get the Port's Comprehensive Scheme substantially revised."* Gordon interjected, *"I agree with that."* Jerome felt that that Breakwater Solo *"...is something we can potentially do that is sustainable long-term and then we can turn our attention to the Comp Scheme. Then we can say we've done the best we can with the resources we have and now we're going to redo the Comp Scheme and come up with a real plan that is focused on economic development and get on with it."* Tapert and Gordon agreed.

**Tony Puma** suggested they could buy another float and use it for the ICFD3 boat and the ICSO boat and it wouldn't be that expensive, but Field explained in that position that it "becomes a breakwater" and is therefore expensive. Puma suggested the Port could carry two full scenarios for a while for bids (one with the additional dock for the Fire District and Sheriff's Office boats and one without), and throw one of them away once the Port knows whether it will get the Port Security Grant money or not. Gordon noted that the engineering costs for each design could be \$160,000.

Field noted that Breakwater Solo is clearly not operational year-round (and therefore not eligible for the Port Security Grant, which requires the ICFD3 and ICSO boats are available year-round). It's relatively low maintenance and does not require any new fabrication – that's why the numbers for Breakwater Solo are low.

After additional discussion, the Commission agreed to go forward with Breakwater Solo, with a bid alternate that would include a float on the end of the breakwater that would accommodate those boats and keep the Port eligible for the \$1.4 million Port Security Grant. Field suggested Staff could ask Reid Middleton to 1) look at potential technical solutions for closing the door on the east side, and 2) prepare a proposal for Breakwater

Solo to get through bid documents, and one for Breakwater Solo with the additional 100' float. He thought they could have the information for the regular May meeting.

Jerome reiterated that Breakwater Solo is viable, it has all the advantages he discussed earlier, plus with the additional float, it gives the Port a shot at the FEMA money (PSG). Gordon agreed, and added: *"We don't raise taxes. We also say we're going to build within our means and we'll build extra if we get the money."*

The Commission agreed to move forward with Breakwater Solo and Breakwater Solo with an alternate bid (including a 100' float on the end) and directed Staff to contact Reid Middleton and ask them to prepare proposals as discussed earlier. Anderson suggested Reid Middleton should look into moving the breakwater back into the Port Management Agreement area so the Port won't have to pay for the Department of Natural Resources Aquatic Lands Lease.

Since Jerome would not be able to attend the regular May meeting, he asked if a special meeting would be possible sometime after his return on May 15<sup>th</sup>. The Commission agreed they could schedule one as needed, once they have the technical feasibility information from Reid Middleton.

## **2. Phase 1 Permit Status**

A. Hydraulic Project Approval (HPA): Approved by Washington State Department of Fish and Wildlife (WDFW), (Issued 2/13/10, revised 3/8/11) and follow-up HPA for Temporary Breakwater Parking approved by WDFW (Issued 3/4/11, revision being coordinated by Joe Callaghan of GeoEngineers).

B. United States Army Corps of Engineers (USACE) Permitting: Joint Aquatic Resources Permit Application (JARPA) submitted August 2009 under review, on hold pending Marine Mammal & Marbled Murrelet Protection Plan from GeoEngineers (authorized by Commission on 3/29/11) to be submitted before 4/21/11.

## **3. Boarding Floats & Uplands Permit Status**

A. Permit Extension Request to USACE: Revised JARPA submitted 2/22/11, now pending.

B. Master Permit Application to Langley: City approved prior permits (including Shoreline Conditional Use Permit, etc.) through 12/29/11, with further 1-year extension pre-approved.

C. Department of Ecology (DOE) Water Qualification Certification & Coastal Zone Management: Valid through 12/29/11, with one-year extension pre-approved.

D. HPA: #122942-2 Approved on 3/3/11, with 30% grating requirement.

## **4. Property Issues: No update**

## **5. Funding Issues**

A. Port Security Grant (Phase 1A): Unofficial approval of Project List: Now for the details...

B. Boating Facilities Grant (Floats only): Project Review input from 2/24, Evaluation on Apr. 19.

C. Other Capital and Revenue Sources / Budget Review: Gordon provided an update on the Mukilteo Parking Garage Concept. He explained that at their last meeting, the Port of Everett Commissioners *"...basically said they didn't have a problem with the Port of South Whidbey buying property in Mukilteo to build parking for the benefit of Whidbey Islanders."* Gordon said the realtor who found the property had also updated him. The original purchase price of \$675,000 was reduced yesterday to \$625,000, and the realtor thinks it should be down around \$550,000 (closer to the assessed value). Gordon reported that Boeing's legislative liaison has emailed him indicating his interest in helping with the Mukilteo parking issues.

Anderson reported that a Washington State Department of Transportation representative working on the Washington State Ferries (WSF) Multimodal Project had telephoned him because “they are wondering what’s going on and what is the Port doing.” Anderson added that the representative basically confirmed that WSDOT has no intention of providing long-term parking facilities at the Mukilteo Terminal.

Gordon said he needed direction or permission from the other Commissioners on how to proceed, because he would like to work with the realtor to devise some kind of purchase option. Tapert noted that the Port cannot spend any money on or make any commitments to a project that is not in the Comprehensive Scheme. Since the Mukilteo Parking Garage Concept is not in the current Comp Scheme, one of the first steps would be to amend the Comp Scheme to include it. He added, *“I think beating the bushes is fine, and if Boeing can get involved financially then maybe we won’t have to spend a dime.”* Gordon said, *“This is perfect timing to get something going. I just want to get this property tied up with some kind of a number on it so that we can do some planning. I think we can do that with an earnest money option. Do we really need to change the Comp Scheme before we can do that?”* Anderson said yes, it’s a pretty clear, bright line in the RCWs. Gordon asked, *“Isn’t there a gray area in the Comp Scheme that would allow us to do this?”* Anderson said Staff had reviewed the Comp Scheme and it did not fit the criteria for additional projects.

Jerome said they would need to schedule a public hearing to amend the Comp Scheme. He noted that if the Port put down earnest money and made a commitment to begin proceeding with the Mukilteo Parking Garage Concept, that would have financial implications on other Port projects. He said, *“Apart from the Comp Scheme issue, my concern is now that we have a project we’re all willing to support on the Harbor, this financial commitment (for the Mukilteo parking issue) could potentially make the Harbor project difficult or impossible.”* Gordon said, *“But Breakwater Solo would only be a half-million dollar bond, and the Mukilteo property owners are willing to finance so the liability would probably be around \$500,000.”*

Gordon said, *“I would like to schedule the public hearing to amend the Comp Scheme now – right now.”* Field asked, *“Would it be on one topic or multiple?”* Gordon said, *“In order to go forward, I need us to have a hearing to change the Comp Scheme specifically to allow us to do a Mukilteo project, and if you want to pile on, that’s fine.”* Field explained that there are other projects (like the commercial kitchen) that could be added to the Comp Scheme at the same time, making the process more efficient than multiple hearings.

Anderson said there are two specific areas of the Comp Scheme the Commission needs to look at: 1) The identified projects listed as Potential Project Initiatives, and 2) The Project Selection Guidelines (criteria). He would like to add the commercial kitchen and the surveillance cameras, and perhaps the Mukilteo parking project. Anderson pointed out that public support for each of the project initiatives would be needed.

The Commission agreed to individually review the Comp Scheme and provide feedback to Staff about the minimal changes they felt needed to be made. Field said he would also contact the Port Attorney, in particular regarding the Mukilteo parking concept since it is out of district. Tapert said, *“My hopeful outcome on the parking garage concept is that we get the ball rolling and then find someone else interested in taking it from there.”* Gordon said, *“That wouldn’t hurt my feelings. The idea is that there at least 20 parking stalls there. We could set some ecology blocks, pave the thing, stripe it and we’re already started. It’s not very functional, but it’s good press. Then that gives us time to build this project out. If somebody else wants it and we can get what we need from them – fine. There are other very interesting options that could occur along the way. This will get the ball rolling.”*

## **6. Consortium Coordination**

A. InterLocal Agreement with Island County Fire District #3 (ICFD #3): Coordination in progress.

B. InterLocal Agreement with Island County Sheriff: Coordination in progress



**ADJOURNMENT:** The Special Meeting was adjourned at 12:08 p.m.

Approved:

  
\_\_\_\_\_  
Commissioner Chris Jerome, Langley

  
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Commissioner Curt Gordon, Clinton

  
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Commissioner Geoff Tapert, Freeland

Minutes prepared by:

  
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Edwin S. Field, Port Manager

Exhibit A: Financial Scenarios 1-10

Exhibit B: Concept Summary: DG Breakwaters (400'D & 220 G Brkwtrs, Fingers as Alt.)

Exhibit C: Concept Summary: Breakwater Solo Gangway Access to 400' Brkwtr)

Exhibit D: Concept Summary: Phase 1 Alternate with E Dock (incl. D & G Brkwtrs)