

**AGENDA**  
**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND**  
**SPECIAL MEETING of the BOARD OF COMMISSIONERS**  
**Monday, February 25, 2008 at 9:30 am**  
**Port Office Conference Room, Freeland, WA**

1. SPECIAL MEETING
  - A. Call to Order
  - B. Pledge of Allegiance
  
2. PUBLIC COMMENT – Including items not on agenda.
  
3. PROJECT ACTION ISSUES – Staff Report, Public Comment, Commissioners’ Discussion
  - A. Design Review Workshop for South Whidbey Marina Project
    1. Draft Phased Conceptual Design Review
    2. Financial Data on Phased Concepts
    3. Project Funding
    4. Joint Port-City Meeting Agenda Topics and Coordination
    5. Next Steps: Review and Coordination with Adjacent Properties, SEPA, ...
    6. Near-term Improvements
  
  - B. Bush Pt Boat Ramp
    1. Emergency Ramp Repairs: Commission Action on Contractor Proposal(s)
  
4. EXECUTIVE SESSION (if necessary)
  
5. ADJOURNMENT

**PORT DISTRICT OF SOUTH WHIDBEY ISLAND**

Minutes of the Special Meeting

February 25, 2008

Freeland, Washington

**Present at the meeting were:**

Commissioner Lynae Slinden, Clinton

Commissioner Rolf Seitle, Langley

Commissioner Geoff Tapert, Freeland

Ed Field, Port Manager

Dane Anderson Port Financial Coordinator

Molly MacLeod-Roberts, Port Clerk

Greg York, Art Anderson Associates

Jeff VanDerford, South Whidbey Record

Jim Recupero, Langley City Council

Joe Murphy, Clinton Resident

**Absent:** None

**1. MEETING CALL TO ORDER:**

The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on February 25, 2008, at the Port office in Freeland, WA. As announced, the purpose of the Special Meeting was to conduct a design review workshop. Commissioner Seitle, President, called the meeting to order at 9:33 a.m., followed by the Pledge of Allegiance.

**2. PUBLIC COMMENT – Including Items not on Agenda:**

There was no public comment.

**3. PROJECT ACTION ISSUES – Staff Report, Public Comment, Commissioners' Discussion:**

**A. Design Review Workshop for South Whidbey Marina Project:**

1. Draft Phased Conceptual Design Review: Port Manager Ed Field explained that the phased drawings and estimates previously submitted to the Commissioners (**EXHIBIT A**) were the result of the previous design workshop, when the Commission directed Greg York of Art Anderson Associates (AAA) to come up with some phasing concepts to deal with a first phase that leaves the existing marina in place and gets the new breakwater positioned so that some new slips are added. The Commission also directed York to provide a breakdown on subsequent phases. The Commission was also provided with copies of Commissioner Slinden's suggested changes to Phase II (**EXHIBIT B**). After those items are discussed, Port Financial Coordinator Dane Anderson would present the Executive Summary he had prepared for Phase I and for Phase I and II together.

Ed added that right before today's meeting, York had gone over the drawings looking particularly at the exposure to the north, and come up with some other considerations. York had noted that the outermost 4-6 slips in the Phase I layout would be uninhabitable during the winter months, so they could not be used as full-time permanent slips. Ed explained that a wave attenuator is unlike the breakwater, which is a rigid structure. An attenuator is more like floats strung together with a hinge point every 50 feet. Although it will be 12 feet wide and will knock down a lot of the waves from the east, it cannot be used for permanent or major tie-ups during the bad winter months. In order to keep the 4-6 slips open under the current Phase 1 configuration, one possibility would be to pull the central marina slip area in "under" the breakwater, exposing the marina to the east but not to the northeast and the north. The challenge is that some slips would be lost and each time the east breakwater is moved out for expansion, it would cost \$250,000 - \$500,000. The other possibility for improving protection is placing another wave attenuator just to the north of the breakwater, creating a more traditional type of sheltered opening and interior. The suggested size would be 12 ft. wide by 200 ft. long, and the cost is roughly estimated at \$300,000 plus installation charges. It would open up 4 - 6 or more slips and improve the protection, so it is a risk management call. York said it is a trade-off between the revenue from 6-8 slips and the costs from potential storm risks.

Commissioner Seitle asked York what is directly upland from the Phase I layout, and York said the layout would be directly in front of the Boatyard Inn and the proposed Schell residence. Commissioner Seitle said that then means the area would not qualify for a Port Management Agreement and it would require permission and cooperation from the property owners, and Ed confirmed that was correct.

A discussion followed regarding the issue of Department of Natural Resources (DNR) leases in the proposed area, and all present agreed it would need to be addressed and resolved.

Commissioner Slinden's suggested revision of the Proposed Phase II was briefly discussed. She said the driver for her concept was to add slips without a lot of additional structure and eliminate some of the costs. York said fingers could be added on the backside as she had drawn, but only to a certain point since there would be a clearance problem closer to the existing marina.

Commissioner Slinden said they should make a decision about the fuel facility; whether or not they would do it, what phase it would be in, and where it would be located. Commissioner Seitle said he would love to see a fuel facility, but it was probably not doable in Phase I. Commissioner Tapert said if there isn't going to be fuel available on the dock, a good compromise would be to have it onshore. From a permitting standpoint, he feels they should leave that open and try to provide for it. Commissioner Slinden agreed the onshore would be easier to permit and a lot less hazardous. Commissioner Slinden and Commissioner Tapert agreed the fuel facility should be deferred until Phase II or III. Commissioner Seitle discussed a double-bottomed fuel float that would essentially be a barge, but acknowledged that there are a lot of tough issues with fuel.

Commissioner Seitle asked if the Port's permit process would be going for the ultimate build-out and 25% of the design. Ed thought they would need to go for a Non-Project SEPA on the overall layout, providing a rough configuration of the full build-out. They would also need to get general concurrence from the City of Langley for the marine side. As soon as the comments come back from the Non-Project SEPA, the Port would then go

out for the Project SEPA for Phase I. The Non-Project SEPA will be fully reviewed and it can be adopted into the City of Langley's Comprehensive Plan and the Port's Comprehensive Scheme. The InterLocal Agreement (ILA) states that the new Master Plan must be adopted into both entities' comprehensive plans. Commissioner Slinden said that is why she advocates the minimizing of Phases II and III.

Commissioner Seitle asked what the Joint Aquatic Resource Permit Application (JARPA) would be for, and Ed said it would only be for Phase I. Commissioner Slinden said that was a good argument for keeping the fuel facility in Phase II, and all agreed.

Commissioner Slinden referred to the process as "inking in" in Phase I, while only "penciling in" Phases II and III. The Port is actually seeking permitting of only the "inked" part. The Commission agreed that the fuel facility should be kept in the plan, but not until Phase II or later.

Commissioner Slinden asked York to explain the advantages and disadvantages of the redesigned layout. He said it was "the best bang for the buck." However, with just Phase I, it is still primarily a "summer marina" in his mind with only 20 additional berths for winter revenue.

Commissioner Seitle asked about the slip size. York explained that because the average demographic has been set at 40 ft., he has made them 40 ft. slips, but in reality they could accommodate up to a 60 ft. slip. He tried to provide a standardized slip size on the first phase that can fit the whole envelope, but yet hold the biggest boat the marina will routinely serve.

The Commission agreed that AAA's proposed design concept for Phase I was acceptable. Commissioner Seitle said that Phase I was contingent upon some items being resolved, namely the transfer of the DNR lease and an agreement with Schell/Puma. York agreed and added that there is no Phase I without an agreement from those property owners.

Jim Recuperero, Langley City Council Member, asked about Puma's comments at the public meeting regarding raising the level of the uplands. The Commission said that has no effect on the marina layout; it's an uplands question. Ed explained that York had been directed to do an uplands layout that is essentially an improved gravel parking lot and an improved Phil Simon Park. The existing utilities will suffice for Phase I, but major utilities upgrades, new buildings, etc., would be required to support Phase II and beyond. The Port hopes this uplands layout for Phase I is something the City can approve without major variances or anything else major.

The Commission agreed to keep AAA's Phase II and III design concepts to be penciled in as the ultimate build-out. They briefly discussed the potential locations for the fuel dock, pump out station, fire & rescue boat, and seaplanes and York indicated where those would be and said they would be included in the design presented to the City.

Commissioner Slinden asked if they would keep the pods in the plan. York recommended keeping them to ensure that the Port's DNR boundary is enough to allow them. The Commission agreed to "pencil" them in.

Commissioner Seitle said he liked the idea of the clustered pods for the marina. York explained that the 6 outer pods could "stand alone" economically, but because the marina

will be completed in phases, there is no economy built into those unique connectors. Unfortunately, by phasing the marina, the clustering within it goes away due to future contracting and constructability concerns. The outer pods could be done at any time, during any phase. York said the key is to reserve enough space in permitting.

Ed summarized that the Commission had agreed to submit AAA's revised draft concepts for Phases I, II and III to the City of Langley after the potential locations for the seaplanes, pump out, fuel dock, etc. are added to the later phase(s). The envelope for the pods or buoys would also be included in the future phase(s).

Commissioner Seitle wanted to discuss the issue of the DNR leases and the need to obtain an agreement in writing from the property owners (particularly Schell & Puma) before discussing the financial data. He said it was urgent that the Port writes a letter to the property owners. Ed said previous letters have been written and suggested that the Commission discuss process on the matter before proceeding with additional letters. Ed said it is essential to bring the City of Langley in on this. Commissioner Seitle questioned the sequence of events and felt the first step was to obtain a conceptual agreement from Schell/Puma that they had no objections to the proposed location of the marina. Commissioner Slinden said it was important to have the City involved in a collaborative team effort to reach a mutual agreement among all parties. Commissioner Tapert agreed with Commissioner Slinden that the Port should first talk to the City and reach a mutual agreement before going to the adjacent property owners.

Commissioner Seitle asked if there should be a 3-way meeting between the Port, the City and Schell/Puma. Commissioner Slinden felt there should first be a meeting of just the Port and the City, followed by a meeting of the City, the Port and all of the owners near the marina – not just Schell/Puma. The Commission agreed.

2. Financial Data on Phased Concepts: Port Financial Coordinator Dane Anderson presented his Executive Summary of Business Models for Phase I and Phase I and II Marina Development Options dated 2/21/08 (**EXHIBIT C**). He concluded that from a business “dollars and cents” perspective on an ongoing operational basis, doing Phases I and II together as the first project makes the most sense. It is more expensive, but it is within reach from the perspective of revenue sources available. Dane said from a breakeven perspective, it makes a lot of sense because it contributes roughly \$48,000 per year to the Port District.

Commissioner Slinden asked about the difference in the cash balance amount in 2025 between the two options. Dane explained that was based on the assumption of “maxing out” the IDD levy at \$0.45/\$1,000 for six years. With just Phase I, the Port would not spend all the money from the IDD on the marina project, so there would be a cash balance that earns interest throughout the timeframe. Commissioner Slinden asked about the BST report that stated 200 slips would be needed. Dane said it will break even, but it is “real skinny” on the support services.

Commissioner Slinden asked if the summary included anything about the fuel and Dane said it did not. York said fuel would cost in two ways: 1) there is the initial investment for the physical plant, and 2) a full time employee would be required to dispense the fuel over water.

Commissioner Seitle said he had met with Curt Grant, who has managed projects and has

experience in building marinas, and Grant challenged AAA's cost assumptions and said that the numbers were very conservative. Grant had provided him with numbers from the Edmonds Marina in 1997/1998 and the Shilshole Marina that will open in 2008. York said that AAA's numbers are built off of the current Bremerton Marina and do not include the breakwater. He went into more detail regarding the costs, including the fact that steel piling went up 40% in one year. Dane said Paul Sorenson of BST Associates had stated an escalation factor of 7½% was reasonable. York said when discussing escalation, there are three parts: 1) labor, which escalates less, 2) material, which is highly volatile, and 3) equipment, which is fairly volatile because it's basically fuel. He also told the Commission that he gets quarterly updates from all the suppliers on hard pricing.

Commissioner Seitle asked how York would feel about Design/Build. York said he was very much a proponent of Design/Build. Ed said the key is the timing, and York said that the irony is that Design/Build is so efficient in terms of timing, that it can often produce a result before than you can get permits. He said once the permits are in place, he highly recommends Design/Build. Ed recommended that the Commission follow the sequence of 1) do a non-project SEPA for the entire project and 2) do the project SEPA and the JARPA for Phase I, which is when they would get to 25% design stage. He said they should not do anything until they have the permits. Once the permits are in, all the different alternatives should be looked at: GC-CM, Design/Build, etc.

Commissioner Slinden asked if any of the uplands improvements are incorporated in the costs, and Dane and York both said yes, and the Commission was referred to York's email dated February 8, 2008, that is part of Exhibit A. Ed said the uplands would involve semi-permanent improvements such as gravel paving as much as much as possible, a Port trailer, and an improved Phil Simon Park and boat ramp - and that's it. It would support Phase I but it clearly would not support a major Phase II, due to the infrastructure issues of utilities, etc. Dane explained he had included no more than \$300,000 for upland improvements in his Executive Summary.

Commissioner Slinden said that the issue of Wharf Street (the costs and who is paying for it) is like the elephant in the room. She doesn't think the money the City has received from .09 funds will be sufficient to do the improvements, and she wonders what will be the liability for the Port in that case. She said resolving the issue was paramount. Commissioner Seitle said perhaps they should ask the City of Langley to abandon Wharf Street. Commissioner Slinden asked if the Port's property would be bisected by a city street, and Ed said that was correct. She said they should probably figure out a way to acquire it or bill the City for improving their property.

Ed said he would put the Wharf St. status as one of the "big bullets" for the joint Port/City meeting. The Commission agreed and said the Schell/Puma setback issue would also need to be discussed with the City, in particular Schell's apparent plan to enter his building through Port property.

Commissioner Slinden asked York to clarify the uplands and Phase I and Phase II. He said he was not uncomfortable with adding 24-30 berths in Phase I without utility upgrades, but as soon as the project goes beyond that, the Port will exceed both the water and power capabilities of the area.

3. Project Funding: Dane said the amount of grant funds in the model is a fairly low amount; it's \$400,000, from the Recreation and Conservation Office (RCO) for the boat ramp

upgrades. Based on his conversations with RCO, EDA and USDA as well as internet research, that is the top most likely amount the Port will be able to get granted for this project. The guarantees from USDA will go a long way toward helping the Port fund the project through bank loans that will be repaid through the IDD and revenue from the marina when it is built. Commissioner Seitle said the Port is building the marina primarily for economic development purposes, not necessarily to make money off a marina. Dane said that Paul Sorenson of BST Associates estimated the total economic impact (direct, indirect and induced) of the completed marina at \$4.4 million per year.

Commissioner Seitle said if they intended to do an IDD, they would need to get started on that fairly quickly in order to be ready or ahead of cash flow. Dane agreed and said his model shows IDD funds coming in during 2009. Ed referred the Commission to the email dated February 22, 2008, from Al Hendricks, Port Attorney, in which Hendricks presented a draft of his research regarding the IDD (**EXHIBIT D**). Commissioner Seitle summarized that Hendricks didn't see any legal problems with the Port doing an IDD. Ed noted one caveat: the Port had not yet heard from Attorney Frank Chmelik.

Commissioner Slinden asked if they want to a levy of any kind as well, and if the Port wants to do a levy lift – do they do that before or after an IDD? Commissioner Tapert said if the Port does an IDD, he does not support putting all the funds in Langley. Commissioner Slinden agreed. Commissioner Tapert said there would be a shortfall in the funding of the marina if all of the IDD was not used for it, and he suggested going to a public vote for a general obligation bond to cover that shortfall. Commissioner Slinden asked which would the Port go for first – the IDD or the levy lift/general obligation bond? Commissioner Tapert said the IDD is the known, but it would be harder to “sell the marina” if taxpayers were already paying \$0.45 per \$1,000. The Commission discussed the various ways the IDD funding could be allocated within the Port District and potential areas for industrial development. Commissioner Slinden said the Port should make every effort to fund the marina as it is one of the Port's key missions, but she doesn't want 100% of the revenue from the IDD to go only to the marina.

Commissioner Slinden asked how many and whose man hours would it take to start the process for an IDD. Ed said the mechanics of putting together would probably involve Al Hendricks, supported by Ed and Dane and probably Chmelik for outside reference authority. Based on Hendricks' draft document, it doesn't look that difficult. However, the Port would also need to define what area is covered and the target opportunities. Once that has been determined, Ed estimated it would take 2-3 months to put it an IDD together.

Commissioner Tapert asked if modifications to the Port's Comprehensive Scheme would be required to do the IDD, and Ed didn't think so. Commissioner Slinden asked if the Port should discuss the IDD issue at the next regular meeting, and Ed suggested waiting until after they have an agreement with the City of Langley. The Commission agreed and Commissioner Slinden suggested putting in a tickler file for discussing at the June or July meeting.

Dane pointed out that if some of the funds from the IDD were put to a project other than the marina, that would mean the funds available from the IDD on the marina expansion would limit the Port to the 2/15 draft of Phase I, which will not break even. Commissioner Slinden asked if any more slips could be added to Phase I to provide more revenue, and York explained that although the upland parking might still be adequate, he would be

concerned that they would be pushed over the edge for infrastructure (water & power supply), and would require upgraded utilities.

4. Joint Port-City Meeting Agenda Topics and Coordination: Commissioner Seitle said they would need to talk about the real issues such as the parking areas, the abandonment of Wharf St., zoning restrictions, Planning Advisory Board recommendations regarding the setback, etc. Ed said that there are a huge number of issues for Phase II, but the uplands concept for Phase I was an attempt to put something together that is more a less “a slum dunk” for the City to approve as-is.

Commissioner Seitle said that Phil Simon Park was an important issue. York reviewed his draft for the uplands in Phase I. In the budget, the area is graded and smoothed out, and Phil Simon Park is moved to the waterfront. The Park has additional topsoil and full hydroseeding plus \$3,000 for some plants to provide a screen from the parking area. It also features a water hook-up and a permanent stair through the bulkhead to the beach. The budget includes \$14,000 for lighting upgrades and \$30,000 for the Port office. York pointed out that in the most recent draft, the Park has nearly tripled in size. He said some items that could be added were picnic shelters, BBQ pit areas, furnishings such as picnic tables, etc.

Commissioner Tapert provided a copy of the Construction Cost Estimate he had prepared for Phil Simon Park Interim Improvements (**EXHIBIT E**). He would like to talk to the City and see if the City would allow the Port to do the interim improvements this spring. He said his estimate does not include any labor costs, but assumes that the Port would use its staff to do it as a maintenance item, and volunteer labor could be used as well.

Commissioner Seitle suggested the interim improvements could be added to the agenda for the joint Port/City improvement, and the Commission agreed.

Ed reported that both he and Mayor Paul Samuelson were looking for facilitators and possible meeting dates. Commissioner Seitle said he did not feel a facilitator was necessary and Commissioner Slinden said she feels pretty strongly that they should have one. She said the meeting will run more smoothly, everyone will be able to participate and there is a real benefit to having a facilitator. Ed said once the facilitator has been identified, an agenda would be jointly planned for the first meeting.

5. Next Steps: Review and Coordination with Adjacent Properties, SEPA, etc.

Commissioner Seitle suggested meeting with Schell/Puma to discuss some of the issues at the harbor. Commissioner Slinden asked if they wanted to meet with the adjacent property owners individually or with all of them at one time. She thought they should set up a meeting and invite all of the property owners to come and talk to the Commission. Ed said the joint Port/City meeting should happen first and the Commission agreed. Commissioner Slinden said the City of Langley should also attend the meeting with the property owners and the Commission agreed. City Council Member Jim Recupero said that sounded good and would enable input from all sources.

6. Near-term Improvements: Commissioner Seitle thanked Commissioner Tapert for bringing up the issue. Commissioner Tapert said he didn't think any permits would be involved. The Commission agreed the near-term improvements to Phil Simon Park would be an agenda item for the joint Port/City meeting.



**B. Bush Point Boat Ramp:**

1. **Emergency Boat Ramp Repairs:** Ed explained he had met with two contractors from the Port's Small Works Roster: Mark Myres of Myres General Contracting and Eldon Baker of Whidbey Topsoil. Ed noted that the WDFW biologist has agreed that concrete can be placed on the upper two sections, which is roughly the first 16 feet of ramp. Ed will email the request for modification of the Hydraulic Project Approval to Kye Iris, Lands Agent for the Washington State Department of Fish and Wildlife. Baker's proposal totaled \$6,200 (**EXHIBIT F**) and he has indicated that he has the time and equipment to complete the job before March 14<sup>th</sup>. Ed said that Myres declined to bid on the project due to concerns about being held liable for the long-term design problems at Bush Point. Commissioner Tapert said that he would like to meet with Ed and Eldon Baker and work with them to fine tune the scope. Ed recommended that the Board approve Whidbey Topsoil's proposal with an amount of "not to exceed \$10,000" to give the Port "a little more cushion."

**ACTION:** A Motion was made by Commissioner Tapert and seconded by Commissioner Slinden to authorize the repair contract to Whidbey Topsoil for an amount not to exceed \$10,000. The Motion passed unanimously.

Regarding associated facility prep work, Ed said the new rub strips are on the floats, the new pile hoops are back from Marine Floats, and at this point he would like to tell WDFW Lands Agent Kye Iris to start the paperwork toward final negotiation for transfer.

**4. EXECUTIVE SESSION:**

There was no Executive Session.

**5. ADJOURNMENT:**

Prior to adjournment, Dane noted that if the Port wanted to go after Recreation and Conservation Office (RCO, formerly the IAC) funds for any uplands development for improvements to the boat ramp, some information would need to be submitted to RCO by March 1<sup>st</sup>. Commissioner Seitle asked if Dane had received any encouraging words from RCO about reinstating the grant. Dane said they won't reinstate it and the Port would need to do the whole process again. Commissioner Slinden asked if RCO would consider it, and Dane said yes, that it fell under their eligibility requirements to do it. She thought they should go for it. Commissioner Tapert thought the Port should have the uplands closer to being figured out before going for grants. Commissioner Slinden said the Port would be improving the boat ramp in Phase I no matter what. Dane said if the Port doesn't get the preliminary work done by March 1<sup>st</sup>, they would lose the opportunity until next year. Commissioner Slinden asked if the preliminary work involved just filing a single sheet of paper as a pre-application and Dane said yes, it is pretty straightforward.

**ACTION:** A Motion was made by Commissioner Slinden and seconded by Commissioner Tapert to authorize the pre-application for a grant from the Recreation and Conservation Office. The Motion passed unanimously.

The Commission thanked Dane for bringing up the issue. Commissioner Seitle asked if the Port had copies of all the documents the City of Langley had used for their RCO grant application. Ed said that they probably did. Commissioner Tapert suggested that they could "dust off" the City's plan

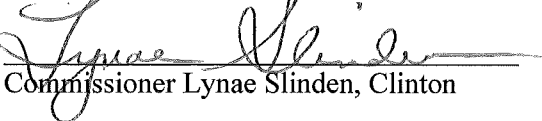
and use them, and Commissioner Slinden agreed. Dane said he would update the Commission on the issue at the next regular meeting.

The meeting was adjourned at 12:20 p.m.

Approved:

  
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Commissioner Geoff Tapert, Freeland

  
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Commissioner Rolf Seitle, Langley

  
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Commissioner Lynae Slinden, Clinton

Minutes prepared by:

  
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Edwin S. Field, Port Manager

- Exhibit A: Memo from Greg York of AAA dated 2/7/08, including phasing drawings and options
- Exhibit B: Commissioner Slinden's suggested revision to AAA's Proposed Phase II layout
- Exhibit C: Executive Summary of Business Models dated 2/21/08, as prepared by Dane Anderson
- Exhibit D: Email from Al Hendricks dated 2/22/08 regarding draft of IDD research
- Exhibit E: Commissioner Tapert's Construction Cost Estimate for Interim Improvements to Phil Simon Park
- Exhibit F: Estimate from Whidbey Topsoil dated 2/21/08