

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
REGULAR MEETING
LOCATION: Freeland Library Conference Room, Freeland WA
DATE: May 14, 2008

7:00 PM – 7:30 PM WORKSHOP

1. 7:30 PM - REGULAR MEETING

- A. Call to Order
- B. Pledge of Allegiance

2. BUSINESS MEETING

- A. Consent Agenda:
 - 1. Minutes on file: Minutes from Regular Meetings of March 12 and April 16, and Special Meetings of February 25 and March 25, 2008
 - 2. Vouchers: Vouchers #3416 through #3444 (as signed today) for a total amount of **29,483.40**.

3. PUBLIC COMMENT – Including Items not on Agenda.

- A. Don McArthur and Bob Boehm, South Whidbey Yacht Club

4. ACCOUNTANT REPORT:

- A.

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

- A. South Whidbey Marina
 - 1. Resolution No. 08-01: Increase the Regular Real Property Levy Rate to \$0.30 per thou.
 - 2. Comp Scheme Amendment: Direction on Need to Amend, with Draft Project Initiatives
- B. Bush Point Boat Launch
 - 1. Placement of Orca Network panel on kiosk
- C. Possession Beach Waterfront Park
 - 1. Marine Access Improvements: Update on Progress
- D. Whidbey Air Park
 - 1. Resolution No. 08-02: Approval of Evaluation and Authorization of Matching Funds

6. ACTIVITIES/INVOLVEMENT REPORTS

- A. Economic Development Council (EDC)
 - 1. Annual Member Meeting with Hammond/WSDOT and Mosely/WSF, May 21
- B. Council of Governments (COG)
- C. Skagit-Island Regional Transportation Policy Organization (RTPO)
- D. Marine Resources Committee (MRC)
- E. Washington Public Ports Association (WPPA)
 - 1. Spring Meeting May 14-15 in Vancouver, WA
 - 2. Facilities & Engineering Seminar Aug. 7-8 in Grand Mound, WA (focus on project development through bid processes and contract management)
- F. Community Trade & Economic Development (CTED)
- G. Holmes Harbor Shellfish Protection District
- H. Puget Sound Partnership
 - 1. Meeting with Regional Liaison Linda Lyshall and reps from Leadership Council & Ecosystem Coordination Board: 1:00pm on Tues. June 10 or Tues. June 24?

7. OLD BUSINESS

- A.

8. NEW BUSINESS

- A.

9. EXECUTIVE SESSION (if necessary)

10. ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

May 14, 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

The following individuals signed in:
Laurence Bucklin, Seattle Resident
Don McArthur, South Whidbey Yacht Club
Bob Boehm, South Whidbey Yacht Club
Ken Urstad, Greenbank Resident
Joe Murphy, Clinton Resident
Dean Enell, Langley Resident
Dan & Louise Prewitt, Langley Residents
Jeff VanDerford, South Whidbey Record
David Powers, Clinton Resident
R.E. Robbins, Langley Resident
Joe Perez, Langley Resident
Ron LaCour, Freeland Resident
Jason Decker, Clinton Resident
Duane Fulgham, Langley Resident
John Bush, Langley Resident
Douglas Calder, Langley Resident

Absent: None

1. MEETING CALL TO ORDER:

The regular meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on May 14, 2008, at the Freeland Library Conference Room in Freeland, WA. Commissioner Seitle, President, called the meeting to order at 7:30 p.m., followed by the Pledge of Allegiance.

2. BUSINESS MEETING – THE CONSENT AGENDA:

A. Consent Agenda:

1. Minutes: Minutes from the Regular Meeting of March 12 and April 16, 2008, and Special Meetings of February 25 and March 25, 2008.
2. 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 Commissioner Slinden and seconded by Commissioner Tapert to accept the Consent Agenda, including authorization of Vouchers #3416 - #3444 in the amount of \$29,483.40. The Motion passed unanimously.

3. PUBLIC COMMENT – Including Items not on Agenda:

Commissioner Seitle recognized the following attendees who asked to comment to the Board:

Don McArthur, Commodore of South Whidbey Yacht Club: McArthur submitted his comments in writing for attachment to these Minutes (**EXHIBIT B**) and read them aloud for the record.

Bob Boehm, South Whidbey Yacht Club: Boehm also submitted his comments in writing for attachment to these Minutes (**EXHIBIT C**).

Dean Enell, Langley Resident: Enell agreed that, “you need to spend money to make money” and said he thoroughly believes that South Whidbey needs some economic stimulus, jobs and a more healthy tax base. He thinks the South Whidbey Marina is a good project that will certainly bring in a lot of tourist dollars to Langley and it should provide some jobs, especially during the construction phase. It’s unfortunate that it is such a large increase in the tax, but he said again that you have to spend money to make money. Enell encouraged the Board to continue on the path after the project is completed and funded and spread that money to other areas in the Port District. He said the Port has spent a fair amount of money in Clinton with Possession Point and Clinton Beach, but Freeland could also use some. He wished the Port “good luck.”

Jason Decker, Clinton Resident: Decker said he is thrilled with what the Port has done, particularly with the highly visible project in Clinton by the ferry – it is phenomenal and the Port has done very well. He said he has been a voter for a long time and his boat is currently at Shilshole. Decker said South Whidbey desperately needs a properly planned marina facility that will accommodate not only transients (Langley is a fantastic destination), but permanent moorage as well. He said input from boaters regarding how to make the marina “user friendly” should be encouraged. He requests the whole procedure be very well thought out, very well planned to the point where any money spent will realize a good return. Decker said non-boaters will also want to spend time on the waterfront and there is the potential for millions of dollars to be pumped into the Langley economic system if they have the right facility to come to. He applauded the Port’s efforts and said he hopes they keep it up. He concluded by saying “Good for you guys.”

Ron LaCour, Freeland Resident: LaCour asked, “Why is this more of a public matter rather than a private boating matter?” Commissioner Slinden said it is a public-owned facility. LaCour asked what percentage of the general population does the Board expect to have a direct benefit not an indirect benefit from the marina. Commissioner Seitle said the Port has some data on the benefits to the economy on the south end, and they need to share that information in a better way with the community. He explained that the Commission has an obligation to try to further economic development within the Port District, as directed by the Washington State Legislature in 1911. A port district is not just a government agency that collects money and provides services, but it really is supposed to be run as a business. Within the Port District of South Whidbey Island, there are not many opportunities to do something that is a benefit to the

community and also provides revenue. The Langley marina has very great potential of bringing in money, and that money will eventually reduce the amount of property tax that the Port needs to fulfill its functions. Commissioner Seitle said LaCour would be surprised how much money there could possibly be coming into the community and to the Port, which the Port could then use to reduce tax burden or other activities to help economic development in the community. He said asking the taxpayers to help initially is like venture capital to start a business, because the Port is basically starting a new business at the marina. He said the Commission doesn't want to raise taxes anymore than anyone else – the three of them also pay taxes. He hopes the Commission can help the community understand that the tax increase may not be permanent and that money will be flowing into the marina that can then be beneficially used to enhance the economy of the area. Commissioner Seitle said it is not a case of all taxpayers providing a benefit for a limited amount of people – it's about a general improvement in the economy of South Whidbey. He said that in the end, the marina will be a profitable business. He thinks the Commission can change people's minds if they can show the benefits and the income that can be derived from expanding the facility.

LaCour asked what prompted the Port's "rescue plan" of the City of Langley and added that the City, "...didn't really demonstrate an ability to make it a going concern either, did they?" Commissioner Seitle summarized the history of the marina and the formation of the Port District. He explained that the City of Langley does not have the resources in its budget to build the kind of facility that would be profitable. He also noted that in the next few years, the State of Washington will seek the removal of all creosote pilings, and that means the existing marina has a very limited lifespan. An economic opportunity for the area will be lost if it is not replaced or improved.

LaCour said the Greenbank Farm situation had the best of intentions going in also, but it looks like it's not going to succeed either, and, "...that will be another bailout by the County since the County is also on the hook for that one." He wants to make sure the South Whidbey taxpayers don't have to bail the Port Commission out of a bad decision. Additional discussion regarding levy rates and millage rates followed.

LaCour asked why hasn't the Port, "...elicited the help of the County as a whole if this is such a huge, important project?" Commissioner Seitle ended the discussion and said the Commission cannot debate it at this point. He said LaCour is now on the record as opposing the levy increase. LaCour said, "I am opposed to not knowing what I should be for." Commissioner Seitle said the Commission would like to explain it to him as best they can, and if LaCour sees merits in it, he will vote for it. If you do not see merits in it, you will vote against it. He said it was important to note that the Commission has never approved or discussed a \$20 million cost for the marina and he doesn't know where the local newspaper got that figure.

Regarding where the money is going, Commissioner Tapert said the newspaper has made it seem like everything is going to the marina, when it is not. The Port has adopted a Comprehensive Scheme that shows various potential projects that include industrial development, potential acquisition of an airfield, boat ramps, parks, marina, etc. The Port is looking to try to fund all of that, and although the marina is a very large part of that – it is not the whole thing. He said until the Port has the money, the Port cannot spend it. He said he appreciated LaCour's input, but suggested working together to find ways to do it most economically while meeting the goals of the community, and keep in mind it is not just the marina, it's many things and it is all within the Port's mission.

Commissioner Seitle said there have been four public hearings on the marina and the public generally supports generally the idea of improving the harbor.

Dick Robbins, Langley resident: Robbins said he had been a boater for most of his life and has sailed in the area since the 1960s. He said he doesn't see a fuel dock in the marina plans, and he would like to feel it is not a dead issue. Commissioner Tapert said it is not a dead issue. Robbins said in the summer the steady procession of boaters from Seattle go to Everett or Oak Harbor for fuel, and Langley would be a perfect stopping off place if there was a fuel dock there. Commissioner Slinden said that the studies that have been completed show that a fuel dock is not economically feasible at this point. It would be a loss leader, and although it would help enhance the marina – it would not make any money. Commissioner Seitle said it would be looked at again.

4. ACCOUNTANT REPORT:

A. Financial Statement: There was no accountant report this month (The March 2008 financial statement was submitted and acknowledged at the regular April meeting.

5. PROJECT ACTION ISSUES:

A. South Whidbey Marina:

1. **Resolution No. 08-XX (EXHIBIT D) to Increase the Real Property Levy Rate to \$0.30 per thousand:**

ACTION: A motion was made by Commissioner Tapert and seconded by Commissioner Slinden to adopt the Resolution as written for the August election.

Ed explained that the draft copies of the proposed Resolution that have been provided at the meeting to the public have blank spaces for the dates, and the Commission has alternate versions that are for the August election or November election. He added that he heard from staff at Whidbey General Hospital that they would not be on the ballot in 2008 but will instead wait until 2009.

Commissioner Seitle asked about the deadline for signing the Resolution and submitting it to Island County for inclusion on the August ballot. Ed said it must be submitted to the County by May 27th, so tonight's meeting is the deadline for signing. Even then, he cautioned there might be trouble with the review process. Commissioner Slinden asked about the deadline for the November election, and Port Financial Coordinator Dane Anderson thought it was August.

Commissioner Slinden felt the Commission should wait until the November election because they need time to answer all the questions raised by the public, including those that are mostly summer residents. Commissioner Tapert disagreed and said the Commission has waited too long to determine how the Port will pay for all it intends to do. The Port has a Comprehensive Scheme it cannot afford. He believes the August election will be a fairly popular election and the Port will get a very good sense of what the public believes if they go for that election. He said he knows it is not much time, but he personally prefers to get it over with sooner rather than later. If it doesn't work, the Commission will need to somehow revisit it and find out what is wrong, and then maybe come back again.

Commissioner Tapert said, "To delay it would mean I would be in support of just shutting down any funding for moving forward on any major project, because we don't have the money."

Commissioner Seitle felt the plan that is currently in front of the public isn't good enough. He said he has issues with the Phase 1/Phase 2 concepts and he would like to see those improved. The August election would give them a very short period to explain the project to the public. Commissioner Slinden agreed that the Commission needs to look at some alternatives regarding the overall plan and possible phasing. However, if the Port tries to do a bigger plan, she thinks there would be some problems in getting the design approved through the City of Langley for the uplands in particular before the August election. The August election doesn't provide enough time for anything more than just Phase 1.

Commissioner Tapert stated he is completely against the idea of moving forward with just Phase 1 as presently configured, regardless of what the funding is. He thinks it is a bad decision even if the Port funded it "out of pocket" because it would seriously diminish the Port's ability to fund its current obligations. He said they should be looking to the taxpayers for funding to meet all of the goals of the Port; not just the marina.

Commissioner Tapert doesn't think the Port needs final design plans for the marina before going to the voters to ask for funding to support the Port's goals. He thinks the Port should figure out whether it can afford to do those things before spending hundreds of thousands of dollars on planning and engineering to get there. Commissioner Slinden said, "We've already done that." Commissioner Tapert agreed. He thinks the Port needs to either stop and ask the voters if they should move forward, or if the Port doesn't ask the voters, he thinks they still need to stop.

Commissioner Seitle said he agreed with both of the other Commissioners. He said the Port needs to clearly show the electorate that the marina is a sound business proposition, and Phase 1 is not a sound business proposition except as a "stepping stone" to Phase 2. The only reason he would delay going to the public would be to have a better plan with better financial numbers based on more solid planning for something more than Phase 1. Commissioner Tapert asked which plan he was talking about, because there is the marina and then there is the entire range of projects in the Comprehensive Scheme. If the marina is delayed for whatever reason, there are other projects that the Port needs capital to invest in – like industrial development, potentially an airpark, etc. He said if the Port needs to have a perfect plan for the marina before going to a vote, then maybe there should be a different resolution that specifically designates that money to go to that project, as opposed to a standard levy lid lift. Commissioner Slinden said she wants the Port to have enough time to make a good case now so they don't have to try to figure out something else as an alternative plan six months later.

Commissioner Seitle said again that the harbor at Langley clearly has the greatest potential for revenue and economic development, so it is primarily related to the levy lift even though he agrees the Port will be doing other projects if the voters approve the levy lift.

Commissioner Slinden agreed doing Phase 1 by itself doesn't make a lot of sense. The reason for trying to do that with the City of Langley was to expedite placing the breakwater in its permanent location. She said it appears the temporary lease for the breakwater could be extended until the City and Port can agree on the planning, so there really is no hurry to get the levy going now and no reason for the Port to not be clear about what the Port will be presenting the public with. Commissioner Tapert said he has heard from constituents that they want to see the whole marina done all at one time, and he agrees because they would

get the economy of scale, but the Port needs money to do that. If the Port doesn't get an increase in revenue through a levy lid lift or an Industrial Development District (IDD), if the Commission tries to fund the marina out of pocket, they would severely undermine the Port's financial position to be able to pay for ongoing maintenance of other facilities. He thinks the whole idea of Phase 1 is flawed and they need to forget about it. He said, "If we need to sell the breakwater, I say we do that."

Commissioner Seitle said that is why he wants to get more data to the public that shows the facility will eventually bring in money and will be paid by the users. The Port just doesn't have the money for the initial investment. He feels in order for the public to agree that the marina is a good idea, the Port needs to provide better information than they have now. He would like to have a financial plan in place that is based on a different concept than the Phase 1 that they have now, and for that they will need more time. Commissioner Slinden agreed and said she would like to see the vote be in November.

LaCour asked if the Commission had considered a non-binding vote on the project and Commissioner Slinden said yes. He asked what the Commission's conclusion had been, and she said they had agreed they were not going to do it. LaCour then said: "Two considerations: A and B. A is the all-inclusive vote – list everything out into it. B is break it down softly, gently...each project." Commissioner Slinden interjected that it is still one project. LaCour said he understands that, but "the public might have a chance to be able to slice and dice on the breakout of B, rather than having to swallow this whole pig at one time." He added, "Especially since you have a large population that would be funding it in the Freeland, Holmes Harbor, Mutiny Sands area that may or may not have boats."

Joe Murphy, Clinton Resident: Murphy described himself as an avid boater and said the marina itself is something he is very much in support of, but from his perspective he would not support the levy lid lift. He said the Commission is asking taxpayers to give them the money and promise they'll spend it wisely. As a taxpayer, Murphy said he wants to know what the Port is going to spend it on before he gives them the money. He feels they are "backing into the process" instead of approaching it from the other side. The marina is a good idea. The design of it and the cost of it are up in the air, the economic benefit to the community is still undefined, and there are too many unanswered questions that need to be resolved before the Port can take it to the public and expect someone who is not an avid boater to support it. Murphy said if a levy lid is voted down, that's not really a vote against the marina, it's a vote against the way the marina has been proposed. His advice is to "get all the pieces of the puzzle on the table, let us see how it's all going to fit together, and then if a levy lid lift is absolutely necessary (which he is not convinced it is, after discussions with other private marina operators), then it becomes the funding of last resort – not the funding of first resort. He said there is more than one way to get the marina paid for, and all of those ways need to be examined before going to the public for capital investment. Murphy said it should be self-sustaining – it's a business; it needs to produce a profit to operate.

Commissioner Slinden said the Port has been doing a lot of financial studying and has hired someone who has been working on that for the last few months. It's just a matter of finding a way to present it that is understandable to the public, and that's why she would like to have more time. Commissioner Seitle said the Port had hired a firm considered to be the most knowledgeable about marina economics in Puget Sound, and they gave the number and mix of slips that would be required to make the marina a profitable enterprise. That information was given to the Port's engineering consultant to review and to the Port's

financial coordinator to generate a model for each of the options showing jobs, revenue, sales tax and general economic benefit for the community. He said the Port currently has a commitment to start operating the harbor in January 2009, has a \$290,000 investment (the breakwater) sitting there that needs to be put in place, and the permit issues take 18 months to resolve. The Commission wants to move ahead and that is the only reason why the Port wants to ask for the money now, before all the answers are available. Commissioner Seitle hopes the Port can provide a better picture of the economics of operating the marina.

Jeff VanDerford, South Whidbey Record: VanDerford said he stands by the \$20 million number he reported regarding the cost of the marina. Regarding Commissioner Slinden's Letter to the Editor, he asked about BST Associates' estimate of \$3.2 million that would be brought into South Whidbey from the marina. He asked under what circumstances that number was derived at – what did BST base it on? How many slips and where? What about the timing? Was it based on 1999's boating activities? 2002's? VanDerford said the City of Langley is getting \$75,000 per year and the Port is projecting it will go from that to \$3.2 million per year in a 4-5 month period. Dane said the difference between the \$75,000 and the \$3.2 million is comparing apples to oranges, because the \$75,000 is direct operating revenue and the \$3.2 million is the total economic impact of the marina. Regarding the number of slips, Dane said the number given to BST was 110 slips – the Phase 2 build-out. BST derived the information earlier this year using an expert model that is used by the Department of the Interior to help determine economic impact. Paul Sorenson (the "S" in BST) is an expert in modifying that model to fit marinas. The Record has the report from BST and all the different aspects of the revenue and how it is derived are shown in that report. Dane said, "I hope that helps you to understand it. If not, I can continue to help you to understand it."

Curt Grant, Langley Resident: Grant asked if the report was broken out for revenue as well as overall impact, or was it just overall impact. Dane said it is a total impact number. Some of the models that he has been building for the Port that are focused on each of the different phases and options show direct operating revenue. Grant asked if he could share that information and Dane said it is public information and has been presented. Dane added that they are complex models and he'd be happy to review them with anyone who wants to sift through the 10 different spreadsheets.

Dean Enell, Langley Resident: Enell said he would love to see more details about the other plans in the Comprehensive Scheme, and some estimate of the resources that will be used for those before going to a vote. Commissioner Slinden said the vast majority of the money would be going to the marina. Ed said that was pretty much envisioned by the Comprehensive Scheme Committee. He said it was acknowledged that the marina would be the first, but by no means the only priority.

Commissioner Seitle asked if any of the public in attendance had taken the opportunity to look at the Port's Comprehensive Scheme, and two people indicated they had. He said the Commission needs to understand whether to wait and provide more information to the public or go out for the vote immediately and see what the public has to say. If the public votes against the levy increase, the Port will have to look at other possibilities. But the Port will not give up because it is too good a plan and it is too important. The Port needs to be an organization that produces revenue, and the public's help is needed for the initial input. He said the Port of South Whidbey has the lowest levy rate among comparable ports and the Commission has been extremely frugal and has never tried to raise taxes before. Commissioner Seitle feels the Commission should wait to go to a vote until November so

they can provide better information to the public. Before November, he said the Port should straighten out the planning with respect to a revision of the Phase 1/Phase 2 concept.

Commissioner Tapert said he saw no harm in going to the vote in August and if it is defeated, to identify the weaknesses and use that to potentially go back to the voters again. He thinks they should go for the August ballot.

Commissioner Seitle said the Port needs to have a better plan to present to the public to justify the request for money. He said he wouldn't want to spend a dime on Phase 1 because it would be a waste of money, and Commissioner Tapert agreed. Commissioner Seitle said the Commission would regroup, provide more financial information and data regarding economic benefits to the public, and generate a conceptual design that has the potential to provide substantial revenue. Commissioner Slinden said the Commission needs to match their design with their financing before going to the public for a vote. Commissioner Seitle said the Commission should revisit the plans before going to a vote and they should table the issue until they can decide on how to present the information to the public.

Commissioner Seitle called for a vote on the Motion. The Motion failed by a vote of 0-2. Commissioner Tapert abstained.

The Commission agreed to postpone further discussion of the Levy Lift Resolution, and to have it on the agenda for the next regular meeting of the Port in June. Commissioner Seitle said he would like to have a workshop meeting with the Port's engineering consultant to revisit the plan for Phase 1.

2. Comp Scheme Amendment for Dive-related Project Initiatives: Ed explained that further review of the Port's Comprehensive Scheme showed there are a number of Potential Project Initiatives under which diving activities, sponsorship of the new dive/restoration site, etc. could be generally considered as included. However, he noted that the word "diving" does not appear anywhere in the Comp Scheme and provided suggested language that could be added as an amendment to the Comp Scheme (**EXHIBIT E**). Commissioner Tapert said he was surprised that type of language wasn't already in the Comp Scheme, and said he is fully supportive of adding it because it is completely consistent with the Port's mission, goals and objectives.

ACTION: A motion was made by Commissioner Tapert and seconded by Commissioner Seitle to adopt the language as presented subject to the necessary public input and required public hearing.

Commissioner Slinden said she didn't think they needed to add it, particularly under Economic Development where it seemed to loop back into the other subjects. She said they can do it, but she asked what is the purpose for doing it and what are they gaining by doing so. Commissioner Tapert said the existing sunken tire reef will have to be removed, and replacing it with an artificial reef is a separate project and the language should be added in order to include that. Commissioner Seitle also agreed, but wanted to know how complicated it would be to amend the Comp Scheme. Ed said it's basically a matter of publishing a notice for ten days in advance of the required Public Hearing, and the Hearing could be held at 7:00 p.m. prior to the Port's next regular meeting that starts at 7:30 p.m. Commissioner Slinden said she didn't see a need for it but she didn't have any objection to it either.

Joe Murphy, Clinton Resident: Murphy said the Port should definitely have the language added to the Comp Scheme. He noted that the proposed dive site near the marina area could be a real destination dive site and promote economic development.

Dick Robbins, Langley Resident: Robbins said he was not a diver or a kayaker, and he wondered if there is any data that says kayakers and divers actually bring money into the community. Commissioner Slinden said there is actually and asked Dane to address it. Dane said divers so spend money in the community, and they spend more money when there are services that they can utilize. The sunken tire reef is a destination, and destination dive sites do provide economic opportunity as demonstrated by the success of Nanaimo as a destination dive resort.

Curt Grant, Langley Resident: Grant asked how many destination dive resorts are in marinas, because boats and divers don't mix very well and the Port shouldn't build a marina and have a dive site. Dane explained the Port is in the process of developing a marina that accommodates divers. Commissioner Tapert said the Port is required to identify to the State what formal and informal recreational opportunities exist for the project. The Port is looking at removing an informal dive activity in what is basically "a toxic waste dump." By replacing it and relocating it to a planned area that is outside of boating traffic, the Port can accommodate the divers. In addition to doing it for mitigation purposes, the Port could also generate revenue by turning it into a destination dive resort.

Ken Urstad, Greenbank Resident: Urstad said the dive area at Keystone draws a huge amount of people; he thought it brings about \$500,000 per year into the community. The divers spend a lot of money on lodging, food, etc.

Dick Robbins, Langley Resident: Robbins said he was still concerned about the issue. He said, "Boaters come in by boat; they don't bring their cars. Divers and kayakers may come in by boat, but most come in by vehicles, so all they are going to do is take up parking spaces." He said the whole parking lot could be taken up by divers. Commissioner Tapert said they are already doing that. Ed agreed but added there are frequently 20 divers there in January, and he hasn't seen many boaters there in January. Commissioner Tapert said diving really supplements the cycle because when the marina is packed with boaters in the summer, the divers don't want to go there because the algae is too thick and there's low visibility. They wait until winter when the boaters are not there.

Commissioner Seitle called for the vote. The Motion passed unanimously.

Ed asked if the Commission wanted to designate a public hearing, and the Commission agreed to hold it at 7 p.m. on June 11, 2008, prior to the regular June meeting at 7:30 p.m.

B. Bush Point Boat Launch:

1. **Placement of Orca Network panel on kiosk:** Ed recommended the Commission approve Orca Network's proposal to place their whale identification sign on the kiosk at Bush Point. He said there is room on the kiosk for it and there is not a lot of educational material currently on display. Commissioner Slinden asked if there was also going to be a Marine Resources Committee (MRC) panel placed at Bush Point. Ken Urstad, a member of MRC who was present at the meeting, said he didn't know but suggested that Ed contact Dan Peters of MRC to find out. The Commission approved Orca Network's proposal.

Ed also reported that the Port had received the \$9,000 check from the Washington State Department of Fish and Wildlife for reimbursement for the \$12-13,000 worth of concrete work that were completed by the Port to repair the deteriorated ramp surface..

C. Possession Beach Waterfront Park:

1. **Marine Access Improvements: Update On Progress:** Ed distributed copies of photos taken the previous day of the former bat house as converted to a changing room enclosure (**EXHIBIT F**). Some clearing has been done around the enclosure, but the water line and utility work has not started. Commissioner Seitle asked about the tree planting issue and Ed said they want to get the water in first. Ed added there is existing brush that might be left as additional screening between adjacent properties and the park.

Larry Bucklin, Seattle Resident: Bucklin introduced himself as an adjacent property owner to Darrell Posch who spoke at the Port's regular meeting in April of his concerns regarding changes at Possession Park. Bucklin said his understanding is that the area was all residential zoning originally, so the opening and operating of the Park was all subject to conditional use since it is not consistent with residential zoning. He claimed that as part of that process, there were conditions placed on the operation of the Park. Bucklin said that when Posch asked how changes could be made at the Park, the Commission had responded "Times change." Bucklin said the implication of that response is "Well, that was okay 25 years ago, but we're just going to do what we want to do now." Bucklin said if that is true, then he takes grave exception to that perspective. He said he has been on the beach for 61 years as a non-resident, and said he is in the process of rebuilding an old cabin. His concern is that as he prepares to become a more permanent resident, he is finding that the Park's operation is changing and when the Park came in 25 years ago, the concern was, "we were seeing the nose of the camel under the tent wall." He said, "I've now got the feeling that camel is trying to crawl into my sleeping bag with me." If the changes he has heard about it are still in the works, Bucklin said he is not happy about it. He feels the Park should be operated on the agreement cut 25 years ago. He said it was intended to be a very low-key operation with minimal impact to the neighbors. He said to minimize the adverse impact on the neighbors, there was no overnight camping/parking allowed and there is a full-time caretaker. Bucklin said he expects the Commission to hold up to that bargain, and not create more of a problem than they already have in terms of people trespassing on the neighbors' properties. He described his property as 5 parcels south of the Park, but he said he still gets people trespassing on the beach, fishing, digging clams, and worse. He said his concern is shared by his brother and sister who have adjoining pieces of property. Bucklin said the next five pieces south of Posch's are all non-resident property owners and therefore cannot vote on the tax issue. He said the agenda for tonight's meeting did not get posted to the Port's website. Ed said it was posted on Monday, and Bucklin said it didn't appear until early Tuesday morning, which left him very little time to arrange to come to Whidbey Island to attend the meeting. Bucklin said none of the Port's minutes have been posted for at least 3 months, and Ed explained they are posted as soon as the Commission approves

the minutes, and they are now current within one month. Bucklin said it is hard to find out what's going on when the minutes aren't getting posted promptly.

Commissioner Seitle said if there is a conditional use permit on the record for Possession, he hasn't seen it, and Commissioner Slinden agreed. Bucklin guessed he would have to go to the County for public records, but he will go on record that it was all subject to discussion at that time. He said the Park's operations have remained unchanged for 25 years, so it must have been generated from some understanding. Bucklin said whether or not documentation could be found, he feels if the Park has operated the same for 25 years that is proof such an agreement existed.

Bucklin said Possession Park was zoned residential and purchased from the original owner by some investors, who subsequently donated it to Whitman College to mitigate their loss after realizing they couldn't develop the waterfront. Whitman College later sold the property to the Port. The investors couldn't develop it because of the Shoreline Management Act and the Wetlands Act. Ed said it is absolutely within the shoreline zone – no argument at all. He said the shoreline code has been extensively reviewed to make sure the current project is well under the Exemption limits.

Regarding the changing room, Bucklin asked, "Is that it at this point?" Commissioner Slinden said yes, and Ed added, "the changing room, some picnic tables and some gravel paths." Bucklin said that amount of development is in fact an issue with the Shoreline Management Act, the Wetlands Act and the adjoining impact areas.

Commissioner Seitle said there isn't any development, and Bucklin disagreed. He said if you change from native vegetation to a hard-packed walking zone, that impacts the native vegetation and the Shoreline Management Act and the County's wetlands legislation. Commissioner Slinden said the County had looked at it and told Ed Young they didn't have a problem with it. Commissioner Tapert encouraged Bucklin to contact Planning Director Jeff Tate and/or Matt Kukoc of Island County. Bucklin said he spoke with Kukoc that morning and the information Kukoc gave him is in conflict with the information the Commission just shared.

Commissioner Seitle said he didn't understand what objections exist, because the Port doesn't have any project plans at Possession. Bucklin said the Port has already implemented a project that in his opinion is in violation of the Wetlands and Shoreline Management Acts. Commissioner Seitle asked if he was referring to the bat house, and Bucklin said yes. Commissioner Seitle explained the reason that the bat house had been built in an attempt to address the issue of park users being plagued by mosquitoes at Possession Beach. Unfortunately, the bats didn't come, but a year later the kayakers proposed using the bat house as a changing room. Essentially, that is the project.

Ed said his review of the County's Shoreline Management Plan indicates the Port is below threshold levels on the project. Commissioner Slinden thinks it is probably a technical issue that probably needs to be handled at staff level at this point, and then the Commission can make a decision if necessary.

Bucklin asked the Commission to please respect the agreement (whether it was a conditional use permit as he thinks it was) or what everyone agreed at the time as to how the Park would operate to minimize the impact on the neighbors when the Commission comes up with prospective projects or ideas for the operation of the Park. He said since the

Park is in a bowl, the neighbors hear everything that goes on in the Park. If the Port adds a picnic table to the area, it will bring more activity and more noise and Bucklin equated that to "death by small cuts." Commissioner Slinden said the Port has a community beach at Possession, and since there is such a restricted amount of community beaches in Washington State since they sold their beach rights so long ago, she thinks the Port needs to allow the public to use the beach they have. The park users, including the kayakers, have been very respectful and there have been no problems with police, etc. for a very long time.

Regarding the kayakers at Possession, Bucklin said there is no serious conflict between boaters and kayakers as far as access and using the existing boat launch area. He says if everyone follows the understood but unwritten "boat ramp etiquette rules" there would not be a problem. Users just need to have their gear ready before they get on the ramp, then launch and move away from the ramp to make room for the next person. He thinks a kayak area is a solution to a problem that doesn't exist.

The Commission thanked Bucklin. Prior to leaving, Bucklin was provided with a copy of the April 16th minutes, which were approved earlier in the meeting.

D. Whidbey Air Park:

1. **Resolution No. 08-01 (EXHIBIT G) Approval of Evaluation and Authorization of Matching Funds:** Commissioner Tapert said the Resolution was pretty self-explanatory. He said the Port has the opportunity to leverage funds through the Washington State Department of Transportation (WSDOT) Airport Aid Grant Program to evaluate the Whidbey Airpark as indicated in the Port's Comprehensive Scheme. WSDOT will provide a 95% match, but the Port first needs to provide WSDOT with a Resolution before it will authorize the disbursement of the funds. If the Resolution is adopted, the Port will need to go out immediately with a Request for Qualifications for a qualified consultant to do the study. The amount requested of the Port for the match is not to exceed \$1,500, and WSDOT will match that with \$28,500. Commissioner Tapert said he believes it needs to be spent in this calendar year. Commissioner Seitle said the study will evaluate the conditions of the Whidbey Airpark and whether it is a viable facility, and Commissioner Tapert agreed. Commissioner Seitle stated that the Port basically has no plans for the facility at this time, but this is an opportunity to learn something about it.

ACTION: A Motion was made by Commissioner Slinden and seconded by Commissioner Tapert to approve Resolution No. 08-01 regarding the study of Whidbey Airpark. The Motion passed unanimously.

Jeff VanDerford, South Whidbey Record: VanDerford asked about the phrase in the Resolution taken from the Comp Scheme that reads, "to re-evaluate the development potential of Whidbey Airpark for private, commercial and emergency flights," which he said describes an airport, yet the Port passed the resolution and said it has no plans for an airport. Commissioner Seitle said, "At this point, we don't." VanDerford asked, "But you're going to spend \$1,500 and you have no plans for an airport?" He said he didn't understand.

Commissioner Slinden explained it is in the Comprehensive Scheme that the Port has an airport as a possible development, and as such they are looking at the possibility. Commissioner Seitle said it was just an opportunity to learn what would be required if the Port ever wanted to do something. Commissioner Tapert said the airpark is also

surrounded by industrial property, which is also identified in the Comp Scheme as potential property for Port acquisition to put in the necessary infrastructure to enhance economic development.

Ed read the following aloud from page 21 of the Comp Scheme under Potential Project Initiatives for 2007-2013, Economic Development: "Evaluate potential development in airport industrial zone – airstrip facilities or surrounding area and proceed where feasible." Ed explained the study would provide the Port with the feasibility input.

6. ACTIVITIES/INVOLVEMENT REPORTS:

A. Economic Development Council (EDC):

1. Annual Member Meeting with Hammond/WSDOT and Mosely/WSF, May 21st:
Commissioner Seitle said he would be attending and Commissioner Tapert said he was also interested in attending. Ed said they could be in the same room as long as they don't talk. Commissioner Tapert said he had issues he wanted to convey to the EDC that are unrelated to the Port, and Commissioner Seitle encouraged him to attend.
2. Leftover funding: Ed said EDC has reported there is \$10,000 of leftover funding from the Marine Cluster Study. Sharon Hart of the EDC has proposed the money be rolled into printing additional reports and preparing a directory. The Commission had no objection to Hart's proposal.

B. Council of Governments (COG): Nothing new to report.

C. Skagit-Island Regional Transportation Planning Organization (RTPO): Commissioner Tapert attended the joint meeting with Skagit, Whatcom and Island Counties, where WSDOT provided a presentation specifically about the ferries. He said many of the elected officials seemed happy that the State is struggling to meet its construction costs, because they now have to go back to the drawing board and find ways to maximize their dollar. Many construction projects will be postponed or cut back, particularly the new ferry terminal at Mukilteo. The roundabout has been adopted as the preferred alternative for Sharp's Corner just north of Whidbey Island.

D. Marine Resources Committee (MRC): Commissioner Slinden said she had been unable to attend the meeting. Ken Urstad reported the MRC had okayed the Beachwatchers to conduct an eelgrass survey, starting in Cornet Bay and then Holmes Harbor.

E. Washington Public Ports Association (WPPA):

1. Spring Meeting May 14th-15th in Vancouver, WA: Commissioner Seitle explained he had to cancel his attendance at the WPPA meeting in order to be here at tonight's meeting and vote on the proposed resolutions.
2. Facilities & Engineering Seminar in Grand Mound, WA (August 7-8): Ed said he will be attending this seminar which has a very applicable focus on project development through bid processes and contract management. The Commissioners concurred.

F. Community Trade & Economic Development (CTED): Nothing new to report.

G. Holmes Harbor Shellfish Protection District (HHSPD): Nothing new to report.

H. Puget Sound Partnership:

1. Meeting with Regional Liaison Linda Lyshall and representatives from Leadership Council and Ecosystem Coordination, 1:00 p.m. on Tuesday, June 10th or Tuesday, June 24th: Ed explained that Lyshall and two representatives would like to make a presentation about the Puget Sound Partnership to both the Port of Coupeville and the Port of South Whidbey, and she would like to have a commissioner or two also attend. Ed asked if any of them were interested in attending. All 3 commissioners expressed an interest in attending, and Commissioner Slinden suggested announcing it as a Special Meeting so they could do so. The Commission agreed to announce it as an informational, Workshop Meeting and selected June 10th as the preferred date.

7. OLD BUSINESS:

There were no Old Business items.

8. NEW BUSINESS:

There were no New Business items.


9. EXECUTIVE SESSION:

There was no Executive Session.

10. ADJOURNMENT:

The meeting was adjourned at 9:27 p.m.

Approved:



Commissioner Rolf Seitle, Langley

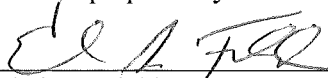


Commissioner Lynae Slinden, Clinton



Commissioner Geoff Tapert, Freeland

Minutes prepared by:



Edwin S. Field, Port Manager

- Exhibit A: Voucher Listing
- Exhibit B: Comments from Don McArthur
- Exhibit C: Comments from Bob Boehm
- Exhibit D: Resolution No. 08-__: Levy Lid Lift
- Exhibit E: Suggested Language for Comp Scheme Amendment
- Exhibit F: Pictures of Possession Park changing room
- Exhibit G: Resolution No. 08-01: Airpark Study