

AGENDA:
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
PUBLIC HEARING: AMENDMENT OF SIX-YEAR COMP. SCHEME 2007-2013 and
REGULAR COMMISSION MEETING
LOCATION: TLC Community Room, Freeland WA
DATE: June 11, 2008

7:00 PM **PUBLIC HEARING** on AMENDMENT of the PORT's
SIX-YEAR COMPREHENSIVE SCHEME 2007 - 2013

An Amendment is proposed to add the following dive-related Potential Project Initiatives to the three categories as follows:

- Economic Development: *"Encourage dive-related businesses and tourism, and support establishment of dive-related facilities."*
- Environmental Stewardship: *"Support the enhancement of habitat and improvements to Puget Sound marine conditions."*
- Marine Access and Recreation: *"Support and/or sponsor expanded dive access opportunities by means of enhanced uplands support and/or offshore/underwater facilities."*

1. 7:30 PM - **REGULAR MEETING** (Time approximate, follows immediately after Public Hearing)

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

2. BUSINESS MEETING

- A. Consent Agenda:
 - 1. Minutes on file: Drafts still in progress
 - 2. Vouchers: Vouchers #3445 through #3472 (as signed today) for a total amount of **\$25,332.82**.

3. PUBLIC COMMENT – Including Items not on Agenda.

- A. Application For Funds from "People for Yes on Whidbey PUD" (Staff recommendation: Not appropriate per RCW 42-17-130)

4. ACCOUNTANT REPORT:

- A. Annual Report for 2007
- B. April 2008 Financial Statement

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

- A. South Whidbey Marina
 - 1. Phase 1 Design: Review of Alternate Designs
 - 2. Funding: Commission Discussion (NOTE: November ballot deadline is August 12, but our August Meeting date on the second Wednesday is August 13.)

- B. Possession Beach Waterfront Park
 - 1. Marine Access Improvements: Update on Progress
 - 2. Easement Requested by Ron Anger off Lupine Lane
- C. Whidbey Air Park
 - 1. Issuance of RFQ for Consultants

6. ACTIVITIES/INVOLVEMENT REPORTS

- A. Economic Development Council (EDC)
 - 1. Report from 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. 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. Report from June 10 Meeting with Regional Liaison Linda Lyshall

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

June 11, 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:

Marianne Edain, WEAN
Sharon Hart, Island County EDC
David Powers, Clinton Resident
Jeff VanDerford, South Whidbey Record
Christine Hurley, Langley Resident
Richard Guenther, Freeland Resident
Fred Lundahl, Langley Resident
Drew Dixon, Langley Resident
Linda Perkins, Langley Resident
Bob Boehm, Greenbank Resident
Christina Drake, Langley Resident
John Rees, Langley Resident
Steve Strehlau, Langley Resident
Harrison Goodall, Langley Resident
Lee Chavor, Langley Resident
Ron LaCour, Freeland Resident
Duane Fulgham, Langley Resident
Walt Jackson, Bellingham Resident
George Buehler, Freeland Resident
Ken Biddle, Clinton Resident
Rhonda Salerno, Langley Resident

Absent: None

1. MEETING CALL TO ORDER:

Following the Public Hearing on the Amendment of the Comprehensive Scheme from 7:03 to 7:15 pm, the regular meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on June 11, 2008, in Grigware Hall at Trinity Lutheran Church in Freeland, WA. Commissioner Seitle, President, called the meeting to order at 7:16 p.m.

2. BUSINESS MEETING – THE CONSENT AGENDA:

A. Consent Agenda:

1. Minutes: Drafts still in progress.

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 #3445 - #3472 in the amount of \$25,332.82. The Motion passed unanimously.

3. PUBLIC COMMENT – Including Items not on Agenda:

A. Application for Funds from “People for Yes on Whidbey PUD”: Commissioner Seitle noted that staff research indicated that the Port is not permitted by law to financially contribute to such a campaign under RCW 42.17.130. Commissioner Tapert said he didn’t think that precludes the Port from offering a letter of support as it goes before the voters.

Steve Erickson, Clinton Resident: Erickson said he recognizes that the Port cannot financially support the campaign, but said the Port could formally endorse putting it on the ballot and forming a Public Utility District (PUD). The Port could also take a position on Puget Sound Energy’s rate increase of 12%. Erickson outlined some of the PSE executive expenditures for private jets, corporate suite at Qwest Field, etc. Since the Port is charged with economic development and this issue has a lot of impact on all kinds of economic development, Erickson would like to see the Port formally communicate its opposition to PSE’s proposed rate increase to the Washington Utilities and Transportation Commission (WUTC). Commissioner Seitle said he has done that as an individual, but didn’t know if they could do it as a port. Commissioner Slinden said she wasn’t personally opposed to the idea, but with only limited information the Port was not prepared to make such a statement.

Marianne Edain, Clinton Resident: Edain said that the State Attorney General’s Office has actually intervened with the WUTC in opposition to PSE’s rate hike. She said the opposition is not just from a few individuals, but also from the State Attorney General’s Office, and the Port District, which uses PSE services, would be in good company if it signed onto the AG’s opposition.

Commissioner Tapert suggested the People for Yes on Whidbey PUD could draft a letter for the Port to sign. Commissioner Slinden added the Port would first want an opinion from the Port Attorney, and that more research was needed.

4. ACCOUNTANT REPORT:

A. Financial Statement: The Commissioners acknowledged the April 2008 Financial Statement and the Annual Report for 2007, which had been mailed to them previously (**EXHIBIT B**).

5. PROJECT ACTION ISSUES:

A. South Whidbey Marina:

1. **Phase 1 Design: Review of Alternate Designs:** Ed noted that the Commission had directed the designers to develop some new alternatives for Phase 1 to include 30-50 additional new slips, without getting into details of possible Phase 2 configuration other than ensuring access to the existing marina is available for future demolition. Art Anderson Associates (AAA) submitted four additional Phase 1 designs (Options A, B, C and D) and Bellingham Marine (BMI) submitted an unsolicited suggestion that shows Phase 1 and Phase 2 **(EXHIBIT C)**. Ed said the level of details and the estimating format differed between AAA's and BMI's designs, so he and Dane had attempted to reconcile them. He then presented the designs using the overhead and summarized each. Ed explained the distinct difference between the words "attenuator" and "breakwater." Attenuators are segmented and non-rigid; they will break waves but they behave very differently in storms and when used for boarding, transit, etc. Ed noted that AAA's cost estimates were escalated up to 2010 dollars, since that is when construction is estimated to begin. Ed pointed out that the "new breakwater" on BMI's Phase 1 design is actually a 600' attenuator. BMI's estimate was not escalated to 2010, but it was revised to include the uplands and ramp improvements as the AAA designs had and exclude engineering and permitting in an attempt to compare "apples to apples." Commissioner Seitle then opened the meeting to public comment.

Fred Lundahl, Langley Chamber of Commerce: Lundahl said an article in the South Whidbey Record said that the smallest slip number was unlikely to produce significant income. He asked if they had any idea what each of the proposed designs would provide in terms of annual income. Commissioner Slinden explained the Port has an analysis and a model for how much is generated from each design as far as the marina itself, but they don't know yet how much will be generated in the community. Commissioner Seitle said the model used by BST Associates showed \$1.9 million in additional business revenue based on 40 new slips. Lundahl said the general feeling among Chamber of Commerce members is that since all the designs have the same footprint, they would recommend going for BMI's design since it has the largest number of slips. Ed noted a substantial difference between BMI's and AAA's designs is the clearance between the breakwater and the slips. AAA's clearance measures 225' and BMI's is less than half that distance. They would have to determine what standard practice is in consideration of bringing in small cruise ships, etc. into the marina.

Commissioner Seitle said there is an inherent limit on the size of the marina that can be built based on the available upland area.

Edain asked if the moorage revenue from the marina was only \$65,000 per year, how could up to 14 full-time jobs be created? Commissioner Seitle explained they would be secondary effects from the facility and what it will bring to the community as additional economic activity. Edain said there is no way to pay back the \$7-\$10 million capital cost with revenue of only \$65,000 per year. Commissioner Seitle said, "Not in Phase I." Edain asked what people who are not boaters and are not Langley business owners would get, and why should they support it. Commissioner Seitle asked if she had recently had a house fire. He said in a good society, people create an infrastructure that serves the total community. Although not everybody benefits directly, the community benefits in general. Commissioner Slinden added there is also an environmental benefit through the removal of all the creosote pilings. Commissioner Seitle said the marina expansion would include the

capacity for using the waterways for transportation. He said the Legislature recently passed a bill that encourages ports to participate in marine transportation.

Edain asked if any projections have been made as to number of vessels that would use the marina in spite of the rising price of gas. She doesn't want tax dollars spent on a marina that doesn't get used. Commissioner Seitle said as fuel becomes more expensive, boaters will still use their boats but will make shorter trips, and the Port expects to capture many of them as transients in the South Whidbey Harbor. He added that there are also a lot of sailboats.

Ron LaCour, Freeland Resident: LaCour said he doesn't see anything in the packet about the "mountain of debt service" and how the Port is going to handle it and whether or not the Port has any kind of back up plan when the first plan fails. Commissioner Seitle said the financial models include debt service. LaCour said he hasn't seen any of the financial models. Commissioner Seitle said the Port needs to first select an option, and then a financial model can be presented for that option. The objective of this meeting is simply to discuss the options for Phase 1. Specific financial details will not come until later. LaCour said the marina would be classified as a very risky adventure at best by a venture capitalist. Commissioner Slinden said right now they are trying to determine an option, and once they have chosen one, they will then go into the financial details for that particular option. The Commission is trying to come up with the best design or actual layout that will best serve the needs of the community and the boating public, and they will look at the financing after that.

LaCour said there are a lot of people from Freeland present. He asked, "Can you explain to the people here who do not partake in boating, don't own a boat, don't do active boating, but they would like to have a brand new bowling alley...whether or not we should consider a bowling alley instead." He said the Port is trying to do something good for a small percentage versus a very large percentage. Commissioner Slinden said the Port actually has facilities in all of its districts. She explained that the Port is co-owner of Freeland Park and will eventually have Bush Pt., in addition to shared ownership of Mutiny Bay. The Port puts money in all the communities throughout South Whidbey – it is not focused just in Langley.

Dick Robbins, Langley Resident: Robbins introduced himself as a long-term boater. He was concerned that no one at the table knew the specifications for fairway widths, so wouldn't be able to determine whether a design was good. Commissioner Seitle said AAA and BMI were both marine engineering firms, so the Port knows they are appropriate. The firms would not provide a design that does not have adequate maneuvering room. Robbins asked if cruise boats and ferries would be brought inside the marina. Ed said the 400' breakwater has always been intended for use by small cruise and passenger ferries. Robbins said, "In my opinion, that is the most dangerous thing you could ever think of doing – bringing large vessels like that which have to back out in a place where small vessels are coming in and out all the time...that's a recipe for disaster." He thinks they should go on the outside only. Commissioner Tapert noted that when the floating breakwater was owned by the Port of Bremerton, there was a built-up stand and the passenger only ferry was on the outside. Unfortunately, there was no ADA accessibility in that design. He said larger vessels are more capable of being on the outside than smaller ones, so he agreed the Port wouldn't want to mix large vessels with small vessels in a tight corridor. Commissioner Seitle pointed out that at local marinas such as the Port of Everett

have 40-50' yachts side-tied and end-tied in the same fairways as smaller boats. The Port relies on the marine engineers to provide appropriate designs. Robbins said he's been to a lot of marinas and he's never been to single marina where commercial vessels, ferries, etc. have been allowed inside the marina – it's just asking for trouble. An unidentified member of the public said, "Port of Bellingham – go to Bellingham." Robbins said he was not familiar with the Port of Bellingham.

George Buehler, Freeland Resident: Buehler said he has been involved in the marine business for years; first as a professional builder and now as a boat designer. He said he is "all for marinas" but thinks a marina in Langley is a poor idea. Instead, he would love to see permanent mooring buoys in Freeland. Buehler said, "This big dock you've stuck out there – you could moor a thousand boats out there for \$50 a month. We could have a water taxi (privately owned) in the summer to deal with it." He said Langley is too expensive to live in so the Port's business plan makes no sense, but Freeland is a natural choice for huge moorage. Commissioner Seitle said it is almost impossible to get permitting for a new facility. Buehler said the Port is also a lead agency and has the same right as Langley to do whatever it wants to, and added, "Look at the Port of Seattle – they come and condemn property, they do whatever they want – you can do just what they're doing." He said tearing down the standing dock by Nichols was a huge mistake, because it could have been the basis for a real marina. Commissioner Seitle explained the Port had looked at that very closely, but there is large eelgrass bed in that area and the bathymetry didn't work.

Richard Guenther, Freeland Resident: Guenther said he and his wife have a shop in Langley and live in Freeland. He wanted to go on record as being in favor of improving the marina. He said that the estimated cost for AAA's Option D escalated to 2010 is \$7 million for 26 additional slips versus \$7.7 million (not escalated) for BMI's Phase 1 with 67 additional slips. Guenther said if 10-12% is added to escalate BMI's Phase 1, it would be \$8-\$9 million. He said if you get twice the slips for \$2 million more, it seems to him BMI's Phase 1 would be better. Guenther said again that he is in favor of the marina, and added that he pays a lot of money for schools although he doesn't have any kids on the island, and he doesn't object to that; same with the library, etc. He hopes people can come together and agree to improve the marina. He thinks the Commission should go for the plan with the most slips for the dollar.

Drew Dixon, Langley Resident: Regarding the 35' long slips of BMI's Phase 1, Dixon asked what size boat that limits it to as opposed to AAA's designs that have 40' long slips. Ed said the Port has a slip mix for the full build-out, but the Phase 1 is an interim step. Dixon said assuming Phase 1 gets built and Phase 2 is way down the road, then BMI's Phase 1 design would be limited to only what a 35' slip could accommodate. Given that you can put much smaller boats in a 40' slip, it might be more beneficial to have a broader range option with Phase 1 rather than Phase 2. Commissioner Seitle explained the financial analysis was done based on lineal feet of moorage rather than slip sizes.

Robert Boehm, Greenbank Resident: Boehm said he would also recommend that they go with the maximum number of slips. He said the strategy for AAA's options appears to be much more towards commercial boats coming in and BMI's is a more basic marina design. He personally thinks the BMI strategy is a better choice. He said the general rule for fairways is 1.5 times the slip size.

Curt Grant, Langley Resident: Grant said the slip length numbers on the BMI concepts were for illustration purposes only; the lengths could be adjusted as necessary.

Ron LaCour: LaCour said he didn't see anything in any of the designs about fire suppression, and there might be a minimum requirement for a fireboat to come in on each of the slips. Commissioner Slinden said the Fire Chief would rather wait until the second phase for that. LaCour asked about the width of the fireboat, and Ed said the one the fire department is talking about is only 29' to 30' long and would fit in well. Commissioner Slinden said the fire department would look for fireboat funding the next time they go for a levy lift, so they are not interested in having a specific space at this time. LaCour asked if the Commission had given any more thought to having a fuel depot at the marina. Commissioner Seitle said not in Phase 1. The study done on the feasibility of fuel there concluded that it would not be a profitable venture in light of demand forecast and a price tag of \$1.6 million. LaCour said if there isn't a demand for the fuel, how will there be a demand for the slips. Commissioner Seitle said 38 of the slips in the total marina are designated for transients and Commissioner Slinden noted that there are approximately two dozen individuals on the waiting list for permanent slips. Commissioner Tapert he feels a fuel dock becomes a necessary amenity when there are a significant number of slips, which won't happen until Phase 2 is built. He is in favor of it, but as a standalone facility it doesn't make any sense.

Dave Anderson, Clinton Resident: Anderson said with Option A's 125' foot opening well out beyond where the Nichols' dock would provide protection, you're going to get a lot of waves rocking the boats on half the spaces on the outside end. Commissioner Seitle said the wave and wind condition studies indicated the breakwater would serve, but the attenuator entrance on the north end could be problematic. He said things are very benign in Saratoga Passage during the summer season (main boating months), so the plan would be to use the new facility for transient moorage and use the existing marina for permanent moorage. He noted that the Port is committed to keep the same amount of transient moorage in operation because it was State-funded, but the spaces can be traded. Anderson said Saratoga Passage is not "benign" from the northwest in the summertime – the waves come from the northwest and they would curl around the attenuator and really rock those boats.

Linda Perkins, Langley Resident: Perkins asked if the ballot fails in November, is it the Port's intent to follow through with an Industrial Development District (IDD). Commissioner Slinden said she has no intention of that, and Commissioner Seitle said, "not mine." Perkins asked if it is voted down in the November election, would the Port continue with it or wait until a point where the taxpayers might be more comfortable about the economy. Commissioner Slinden said she doesn't want to say they would never go back and look at it again, but if it is voted down, the Commission would have to re-evaluate and see if they could come up with a different plan. Perkins clarified that she was concerned that if taxpayers do not agree to triple the levy rate to 30 cents, the Port will do an IDD and increase it to 55 cents without an election. Commissioner Slinden stated she doesn't have any intention personally of imposing an IDD if the ballot fails. Commissioner Seitle said the Port has undertaken an obligation through the Inter-Local Agreement with the City of Langley to operate the marina. If the levy lift fails in November, the Commission would have to sit down and reconsider the issue. Perkins said this is "a real iffy" time economically for the community. She thinks the marina is an awesome idea, but she is afraid right now. She wants to feel comfortable in knowing that the Port is proceeding with caution. Commissioner Seitle said if the levy lift fails, under no circumstances would the Port come back and "punish" the taxpayers by implementing an even higher, unvoted levy. He added that there are many demands on the infrastructure of the community - the hospital, the fire department, etc. Over the years, the Port has been extremely frugal. The

marina expansion is the only opportunity for revenue that is not derived from the taxpayers. He said their mission is to reduce the Port's dependence on taxes by creating opportunities that are compatible with the community and still have an income potential. Commissioner Tapert said the Commissioners took an oath of office to serve the people of South Whidbey, and although it may be legal for a Port to do an IDD after a failed vote, he doesn't think it would be ethical or in the spirit of their oath. He said if it is "shot down" in November, then that would be a clear message they need to go back to the blackboard and maybe re-present it. He noted that a future Commission might still do an IDD, because all that's required is a 10-day notification in the newspaper and the signing of a resolution. Commissioner Tapert said the Commission never said or indicated that they would, "...if you don't vote for it, we're going to do an IDD." In his opinion, if the levy lid lift doesn't pass, an IDD is out of the question.

Perkins asked if prior to the vote in November, would the Port have a budget figured out, facts and data, a balance sheet, etc so the public can make an educated vote. Her impression is that they have to vote yes first in order to find out how much is going to be spent, what it will be spent on, and where it is going to be spent. She added, "And where in the world does this commercial airport fit into all this?" Commissioner Slinden said that was another subject. Perkins said the Port was asking for \$20 million at the last meeting she attended, and now it's under \$10 million and this all comes in funding.

Commissioner Slinden said there is no point in handing out the financial spreadsheets to everyone until the Commission selects a design option, which is what they are trying to do right now.

About the \$20 million the newspaper has referred to, Commissioner Tapert explained that in general, the Port was told that in general one slip costs approximately \$100,000 and that 200 slips would be needed to make the marina economically viable to be more or less self-supporting. The total cost of the marina is not the total cost of what the taxpayers would have to pay, because once it's built there will be moorage revenue and it will be used to help pay back the bonds. Perkins said it would help if taxpayers knew how much the Port would be taxing them. Commissioner Tapert said they still to determine how a levy would be structured. He is in favor of a special purpose levy that would sunset once the bonds are paid off.

Ed Severinghaus, Langley Resident: Severinghaus asked for clarification of the wave effect on an attenuator versus a breakwater. Ed said his understanding is that a solid breakwater (such as the 400' one in the harbor now) provides better attenuation in general and knocks the waves down better than a segmented attenuator. A significant difference is that the breakwater is fairly stable for walking on in rough conditions, whereas when segmented attenuators get "rocking and rolling" – it can get pretty interesting. Commissioner Seitle asked Commissioner Tapert if he wished to respond to the earlier comment about the airport. Commissioner Tapert said he had prepared the grant application and he did not mention the word "commercial" anywhere in it.

Ron LaCour: LaCour wanted to know if there was enough room for a boater to turn around in the marina if it was full, and how would a boater know if the marina was full. An identified person asked if had ever been to Friday Harbor. Commissioner Slinden said boaters could always raise the Harbormaster by radio or cell phone.

Rhonda Salerno, Langley Resident: Salerno said she appreciates the Commission's work and she trusts that they are really listening to people. She said she disagreed that 200 slips was the only economically feasible size. She thinks things are changing and they won't see 200 boats in there. Salerno also doesn't think the community want anything like that in general – that it is way out of scale with Langley. She thinks they can get it passed in November if they look “foresightedly” and not stick to models that are old. She wants the marina, but wants to utilize sustainable means and use alternative energy to run it. Salerno said that would make it a place boaters want to come – where there is a beautiful park and not a lot of buildings with residents, unlike Friday Harbor. Salerno said she was recently at Friday Harbor and “it is a dead harbor because there are condos right there.” She believes maintaining the nature of the harbor will be economic viability for the area. Commissioner Slinden said her suggestions would apply more to the next stage for design factors, and involve more details than the layout issues they are discussing now. She then pointed out that none of the layout options discussed tonight show 200 slips. Commissioner Seitle said he doesn't personally think there will ever be a 200-slip marina because the Port doesn't have the uplands to support it. Salerno also wanted to “put a plug in” for raising the money to pay the Drake sisters their asking price for Drake's Landing. She wants the Port to consider buying it and Stowell's adjacent piece as well.

Ken Biddle, Clinton Resident: Biddle suggested scrapping AAA's Option A because it leaves an opening for large waves and the divers are too close to the boat traffic.

Commissioner Seitle closed the public comment period.

Commissioner Seitle said money is very tight, and they should probably go for the option that has the least cost. Commissioner Slinden agreed. Commissioner Tapert said AAA's 225' fairway is very generous but doesn't know if it's the most efficient. He's not clear whether BMI's 73' fairway would be adequate, but perhaps it could be widened. His preference is for something that “provides the biggest bang for the buck,” so he favors a very simple layout similar to BMI's Phase 1. Commissioner Slinden asked if they agreed they could eliminate Option A, and Commissioners Tapert and Seitle both did.

The Commission discussed at length the details of each of the options and agreed a blend of AAA's Option C and BMI's Phase 1 was their preferred layout, keeping in mind the attenuator connection issue and the safety factors of the inshore portion for the non-motorized element. They agreed the figure of \$9 million could be used for the cost analysis. Ed said he would provide AAA with their direction.

2. **Funding: Commission Discussion:** Commissioner Seitle said the Commission had agreed to go to the taxpayers with a levy lid lift that is time-limited and has a sunset provision. Dane explained the levy lid lift could potentially have a sunset clause, and/or be project specific and/or be for a specific dollar amount. Before running the financial models, the Commission would first need to determine if their policy is to minimize interest payments or minimize the amount of the levy lid lift. Commissioner Slinden said she wanted a balance between the two. Commissioner Seitle said they had previously discussed the possibility of an additional \$0.30 per thousand, and Dane said he had run different versions including an 8-cent lift and a 25-cent lift. Ed said the Port's currently rate of approximately \$0.10 per thousand of assessed value provides about \$450,000 per year. Commissioner Tapert said typical marina structures 40-50 year lifespan, so having it paid off over a period of 20 years seems reasonable. He thinks it could be done with an additional 15-cent lift that is specifically for the marina and is for a 20-year period or when the marina is paid off. Commissioner Slinden noted that there is no penalty for an early payoff. An unidentified

member of the audience mentioned that Shilshole Marina was just replaced after 50 years. Dane said he would run the model at an additional \$0.15 per thousand for 20 years with a \$9 million cap cost. He believed it would be more than they need for Phase 1. The Commission briefly discussed some of the wording for the ballot measure, and Ed said he would ask the Port's attorney to begin work on the text, etc. Commissioner Tapert noted that the bond would not be repaid using only tax dollars, but with revenue from moorage as well. Dane said the model contains an escalation factor for moorage.

Commissioner Slinden asked about the deadline for the November ballot, and Commissioner Tapert said it is August 12th. Ed said he would have the attorney begin working on a draft and he would have AAA evaluate the combination of Option C/BMI Phase 1. Dane said he would start to nail down the capital costs. Commissioner Slinden said they could potentially have a final financial model and a final plan that they are going to go to the voters with by the July regular meeting. Dane agreed, but added he hoped they would be able to do it before July, because there's a lot of information that needs to get to the public if the Port is going to be successful. Commissioner Seitle said he would like to finalize it in another workshop meeting, and Ed asked to hold off on scheduling until Dane and he figured out how long it would take to pull the information together.

B. Possession Beach Waterfront Park:

1. Marine Access Improvements: Update on Progress: Ed said he had nothing to report because he hasn't had any further contact with Island County on the issue.
2. Easement Requested by Ron Anger off Lupine Lane (EXHIBIT D): Ed said Commissioner Slinden had emailed some very good questions regarding the request, but he hasn't had time to dig into them yet. Commissioner Slinden asked if there is any pressing time element, and Ed said he didn't know. Since there was no one present to address the issue, she suggested it be tabled for now.

Larry Bucklin, Seattle Resident: Bucklin recalled that Commissioner Seitle had stated that the Port didn't have any information that pertained to the agreement by which Possession Park came into being. He said he had found a document – an editorial from the local newspaper he thought was published in June or July of 1985 (**EXHIBIT E**). Bucklin said he was there, and the Park was conceptualized as a way for the Port to give something back to the community for the taxes the Port was taking from the community; it was access to the water and was not intended to make money. Bucklin read aloud two paragraphs from the editorial and said, "This supports the position and the information that Mr. Posch presented two months ago. It lends support to the position that I said last month as to how it came into being – it was a low impact...I mean, after all, folks – we were there first." He added, "The Port came to us. This is the agreement that was reached." He thinks they could find the details in the Port's minutes from 1985 and the agreement. He said the Port should have the integrity to honor its own agreements and promises if it wants to get support from the public.

Commissioner Slinden asked what bothers Bucklin about what is happening at Possession Park. He said he could only liken it to the adage of "the nose of the camel under the tent wall, and if you don't keep the camel where the camel belongs, pretty soon it will be in bed with you." He is concerned about the proposal for a private contractor's rental or storage facility on the beach, and the talk about overnight parking. He said according to the editorial, the agreement is, "none of that is supposed to happen – no overnight activity." An unidentified audience member asked Bucklin if he lived there. Bucklin said he is building a new house "about 5 doors up from the Park." He said his concern is that the Port has been looking at other

activities at the Park that will impinge on his quiet little beach place. He said, "All I ask is that you adhere to the original agreement for the use of the Park." Commissioner Slinden explained that the only thing happening at this point is that an area is being made available for kayakers to launch their boats separate from where the motorized boats launch, and gives them a recreational area. She doesn't consider that excessive and doesn't think kayakers are particular loud. Bucklin feels it is an expansion of the footprint of the facility. He said kayakers are no different than any other boater and should come down there and get in line with all of the boaters, get their kayak off their vehicle, set it aside and clear the ramp. Bucklin complained that he had seen a commercial kayaker with 4 kayaks who was not prepared prior to getting on the ramp, and he should have been ready to go. Ed asked if Bucklin was expanding his house, and Bucklin said, "Yes, I took down a 70-year old structure." Ed noted that uses change over time and there are a lot more people on the Island.

Bucklin said the editorial refers to the agreement, so the agreement must exist somewhere in the Port's records. Commissioner Slinden said they would continue to look into it and added that they are also working with the County on the issue. Commissioner Seitle explained that the Port has very limited staff, so it is very time difficult to do research of records from more than 20 years ago. Bucklin asked if the Port was willing to accept the copy of the editorial as factual. Commissioner Slinden responded, "Are you kidding me?" Commissioner Seitle thanked Bucklin.

C. Whidbey Air Park:

1. **Issuance of RFQ for Consultants (EXHIBIT F):** Commissioner Seitle explained this concerned "the study by a consultant on the airpark that the Port doesn't own and doesn't have any plans to buy at the moment."

ACTION: A motion was made by Commissioner Tapert and seconded by Commissioner Slinden to issue the Request For Qualifications to solicit consulting firms for evaluation of the feasibility of the Whidbey Airpark. The motion passed unanimously.

Marianne Edain: Edain asked if they were not going to discuss it. Commissioner Slinden explained it was just a request for a proposal, and the Commission already discussed it a previous meeting and agreed to send it out.

Steve Erickson: Erickson said they would have spoken up earlier if they had known there wasn't going to be a discussion before the vote. Edain said they had specifically asked to speak to the Commission on the subject.

Commissioner Seitle agreed they could comment. He explained that all that is involved is a feasibility study. He pointed out that contrary to what was reported in the newspaper, the Port never made an offer to purchase the airpark. Erickson briefly summarized what is happening at Paine Field, which is a county-owned public airport. Based on longstanding agreements with Snohomish County communities, it has been restricted with no commercial use. Recently a small Nevada airline has said it wants to start commercial service at Paine Field, and the Federal Aviation Administration (FAA) has weighed in on the issue. Erickson read aloud from an article in the Seattle Times: *The FAA letter said that grant provisions required the county "to make the airport available as an airport for public use on reasonable terms and without unjust discrimination of all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport."* Erickson said the Port should look at the grants very carefully because they probably have those provisions in the fine print. He said it basically

means that once you begin taking FAA money, you are obligated to allow commercial service. Ed said he had seen that same article and immediately contacted the Washington State Department of Transportation (WSDOT). The WSDOT representative specifically said there is no FAA money in this specific study – it is WSDOT money only. Ed said WSDOT would provide written confirmation of that.

Commissioner Slinden said the Port's Comprehensive Scheme includes the mission of re-evaluating the feasibility of that facility. She said Commissioner Tapert has done a really good job of finding a grant that accomplishes that for a very low dollar figure. Edain said they just wanted to make sure the Port didn't accidentally walk into a trap, and Commissioner Slinden thanked them for the warning.

Rhonda Salerno: Salerno asked if the Port was planning on encouraging float planes to land on the docks at the marina in Langley. Commissioner Seitle said he didn't think they were encouraging them. Salerno asked if the Port would allow them, and Commissioner Seitle explained they have to because FAA rules and regulations state that float planes can land on any shore. He said it is a choice between having planes land on the shore or under some more controlled conditions on a dock. Salerno said she had lived in a place where float planes landed, and the sound of their engines would ruin Langley. She said she would not support any kind of tax rate if the Port doesn't make a statement about not encouraging air flights to land on the docks. Commissioner Seitle said the Port has no jurisdiction over the noise – that would fall to the City of Langley and their noise ordinance. The Port can only control the taxi areas and where the planes can power. Salerno wants the Port to prevent air traffic on the docks. Commissioner Slinden said, "I can safely say it's not going to be in Phase 1, and we won't be looking at Phase 2 for a long time." Salerno asked how they would prevent it in Phase 1, and Commissioner Slinden replied, "It's not in the design." The Commission said staff would do additional research into the matter when possible.

6. ACTIVITIES/INVOLVEMENT REPORTS:

A. Economic Development Council (EDC):

- 1. Report from Meeting with Hammond/WSDOT and Mosely/WSF, May 21st:** Commissioner Seitle said it was an interesting meeting, and the main topic of discussion was the Island Home Ferries for the Keystone/Port Townsend ferry run, and the entire ferry system and its problems. He has confidence WSDOT will make improvements to the ferry system. Commissioner Slinden invited EDC Director Sharon Hart to add her comments. Hart added that Hammond had taken the bus to Clinton to view the area where there is a great deal of concern regarding pedestrian safety on Highway 525. She noted that the traffic study concluded that 65% of the drivers through Clinton are speeding.

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

C. Skagit-Island Regional Transportation Planning Organization (RTPO): Nothing new to report.

D. Marine Resources Committee (MRC): Commissioner Seitle attended the meeting for Commissioner Slinden, and said it was mostly a presentation so there was nothing to report. Commissioner Slinden noted that MRC would provide the minutes from the meeting online.

E. Washington Public Ports Association (WPPA):

1. Facilities & Engineering Seminar in Grand Mound, WA: Ed will be attending this seminar, which will focus on project development through bid processes and contract management.

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. Report from June 10th meeting with Regional Liaison Linda Lyshall: Not addressed.

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 9:35 p.m.

Approved:



Commissioner Rolf Seitle, Langley

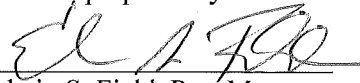


Commissioner Lynae Slinden, Clinton



Commissioner Geoff Tapert, Freeland

Minutes prepared by:



Edwin S. Field, Port Manager

- Exhibit A: Voucher Listing
Exhibit B: 2007 Annual Report and April 2008 Financial Statement
Exhibit C: Alternative Design Layouts – AAA's Options A, B, C & D and BMI's Phase 1 and Phase 2
Exhibit D: Drawing of Easement Request submitted by Ron Anger
Exhibit E: Copy of undated editorial from local newspaper submitted by Larry Bucklin
Exhibit F: Draft Request for Qualifications