

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND  
and  
THE CITY OF LANGLEY COUNCIL**

**JOINT SPECIAL MEETING**

Held at Langley City Hall Council Chambers, 112 Second Street, Langley, WA 98260  
with virtual access via Zoom Meeting Service  
Monday, September 12, 2022 at 4:00 p.m.

**AGENDA- Corrected**

Join Zoom Meeting – corrected link:

<https://us02web.zoom.us/j/81333791577?pwd=ZTcyaVVBeFQ0NUpFdVVva2syQ1p4dz09>

**SPECIAL JOINT MEETING CALL TO ORDER (4:00 p.m.)**

**TOPICS FOR DISCUSSION**

**Workforce Housing on the Fairgrounds**

**Waterfront Master Plan**

**ADJOURNMENT (Approximately 5:30 p.m.)**

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND**

**and**

**THE CITY OF LANGLEY COUNCIL**

Minutes of the Joint Special Meeting

September 12, 2022

Held in Langley, Washington

and online via Zoom Meeting Service

**Port Commissioners Present:** Curt Gordon (Clinton), Ed Halloran (Langley) and Jack Ng (Freeland)

**Port Staff:** Stan Reeves (Executive Director) and Molly MacLeod-Roberts (Port Clerk/Accountant)

**City Of Langley Representatives:** Thomas Gill, Craig Cyr and Rhonda Salerno (Councilmembers), Scott Chaplin (Mayor), Meredith Penny (Community Planning Director), and Randi Perry (Public Works Director) **Absent:** Gail Fleming and Harolynne Bobis (Councilmembers)

**Others:** Melanie Bacon, Island County Commissioner

**MEETING CALL TO ORDER:** The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners and the Langley City Council was convened on Monday, September 12, 2022, in the Langley City Hall Council Chambers at 112 Second Street in Langley, WA and online via Zoom Meeting Service. As announced, the primary purpose of the Special Meeting was for the Port Commission and City Council to discuss the items on the Agenda. Although the Meeting was of course open to the public, it was scheduled primarily for Commission and Council consideration and discussion on those specific issues and public participation was not on the Agenda. Due to technical issues, the Joint Special Meeting scheduled for 4:00 p.m. was not called to order until 4:17 p.m.; followed by a Roll Call of those in attendance.

**TOPICS FOR DISCUSSION**

**Workforce Housing on the Fairgrounds:** Community Planning Director Meredith Penny summarized her memorandum to the Council regarding the Port's application requesting an amendment to the Fairgrounds Overlay to add housing as an allowed use. The request will also require a change to the underlying Public Use (P-1) zone. The City's fee schedule does not have a flat fee for zoning code amendments; instead, the work is charged at \$75/hour for staff time to process. Since it wasn't on the Work Plan for this year, Penny reached out to the previous Planning Director Brigid Reynolds who does contract work with her firm Compass Rose Planning. Reynolds estimates 100 hours of her time at \$75/hour (total \$7,500) and staff estimates legal review fees of the ordinance at \$1,500 for a combined total of \$9,000.

Island County is prepared to provide American Rescue Plan Act (ARPA) funding to the Port for pre-development costs of the housing project pending the City's commitment to considering and processing the zoning code amendment and placing it on the City's work plan/docket. City staff recommends placing it on the work plan, contract with Compass Rose Planning, consider evenly splitting the \$9,000 cost, and send a letter of support with a copy of the contract to Liz Chaffin (ARPA Program Coordinator for Island County). Mayor Scott Chaplin made some options as to where the \$4,500 could come from in the City's budget.

Commissioner Gordon provided an overview of the Port's project which includes removing the existing concession stands and rebuilding them with workforce housing apartments on top. The project is partially economic development funding and partially workforce housing funding. The Port initially requested \$150,000 from Island County Rural County Economic Development Funds (RCED). The County Commissioners awarded \$135,000 from ARPA funding with the Port providing a 10% match of \$15,000 to start the project once the City has placed it on the docket/work plan. Island County Commissioner Melanie Bacon said there is no match requirement for the ARPA funding.

Gordon noted the Port is actually seeking a total of \$500,000 and broke it into two pieces (concession & workforce housing). Bacon explained that the County Commissioners do not want ARPA money used for

the concession stands, but they understand that the engineering and architecture for the two can't be separated. Chapin wondered if the Port could apply for some of the City's 4% tourism funding.

Gordon explained that ports have only provided housing by leasing out land and property – they have never done it on their own property. Knowing partners will be needed, the Port has been working with the county and the city, and reached out to the school district regarding an easement for parking. The Port is also working with the Housing Authority of Island County which has committed to managing the property once it is built.

At a previous City meeting, Councilmember Thomas Gill suggested the City could add housing as an allowed use for ALL the Public Use (P-1) zones in the City, which would allow the school district and the city to build housing in the future without having to go through the zoning change process and pay the fees. Gordon said the Port would appreciate it if the City would split the \$9,000, but will pay regardless. Councilmember Rhonda Salerno asked if the ARPA money could be used to pay for the zoning change process. Bacon said it wouldn't be popular for the County to pay for the City's zoning. Salerno said the City is doing a lot of work and a committee collected data and white papers on affordable housing. She would rather push for affordable housing instead of workforce housing at the Fairgrounds. Commissioner Jack Ng said the Port's mission is economic development and the Port cannot do low income or affordable housing – only workforce housing. Gill said the City does not need more affordable housing – it needs workforce housing because there is no assistance available for people who work full time. Gordon reiterated that anything other than workforce housing is not allowed under the law for port districts, so there will be no affordable housing on the Fairgrounds.

Gordon isn't concerned about if the Port pays for half or all of the \$9,000 fee. In order for the Port to receive the ARPA funds, Island County Commissioners require that the zoning change for the Fairgrounds to add housing is on the City's work plan. That is what the Port needs from this meeting.

Salerno made a motion to ask the planning director to put on next year's work plan that as a City they will look into changing the zoning for the Fairgrounds to allow workforce housing on top of the concession stands.

Gill said it makes sense to do a P-1 Zone Amendment making residential a secondary use blanket across the City for all P-1 properties (Fairgrounds, Langley Middle School, a bunch of parks and unbuildable land, City Hall, Langley Library, the treatment plant and the South Whidbey Fire building). Salerno wanted a simple motion for Penny to put in her work plan the task of looking into rezoning the Fairgrounds only.

The motion failed for lack of a second.

Gill made a motion to authorize the Planning Director to begin the preliminary development of adding housing as a secondary use to all P-1 zones in the City of Langley. Councilmember Craig Cyr seconded the motion. Salerno said she needs more information in order to vote so she will abstain.

Bacon sensed that there is no one on the City Council opposes changing the zoning code to allow workforce housing on the Fairgrounds and asked if that was correct. Mayor Scott Chaplin and the three Councilmembers agreed with her. Salerno added that they can't speak for the two absent councilmembers, but noted it has been discussed favorably in the past.

The motion passed 2-0 with one abstention.

Bacon noted that the City had asked the County to look into using ARPA funds to help expand the capacity of the sewer system, but suggested funding from the Infrastructure Investment and Jobs Act (IIJA) would be a better source. Public Works Director Randi Perry explained the first thing the City must do is a capacity

analysis to and they will need to seek funding for that study before they can even look at expanding the system.

Cyr said it's important that the City works with partners, he is thrilled that the Port is bringing this to Langley. He is supportive and committed as a councilmember to review the codes and pass the policies that can increase workforce housing within Langley.

**Harbor Master Plan:** Gordon explained that the Port is in the process of extending the Army Corps of Engineers permit for the South Whidbey Harbor Expansion. Although the original design of the full buildout may no longer be usable today, the Port can still do portions of it. The last time the Port expanded the Harbor, after the building permit was issued there were things that came up that didn't meet the planning code, etc. He would like the Port and City to work together on a plan to avoid that scenario. He explained that while working on the Mukilteo Waterfront project, the Port of Everett hired a consultant to bring all the players into the room. He attended all those meetings and it was a fantastic experience, and recommends the same process for the Port and City to help determine what the Harbor should be and identify potential issues so the Port can move forward with the design. The Port would like to share the split the cost of a Harbor Master Plan 50/50 with the City. Gill asked Penny if it would be appropriate to put it into the City's Comprehensive Plan. She said yes, and added that there is an overlay specific to that area so having something in the Comprehensive Plan that the overlay helps implement makes sense. Another idea would be to set up a Shoreline Master Program for the South Whidbey Harbor and have those improvements already evaluated through the Plan. Then the individual permits to put them in might be at a lower, more expedited level. Gordon reiterated that partnering on the Harbor Master Plan would eliminate the possibility of having showstoppers along the way and the expectations of the City and Port would be clear. He envisions working together on a Harbor Master Plan that actually gets adopted by both parties as policy.

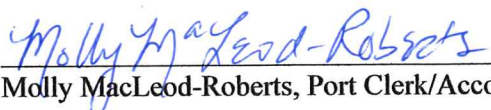
The Council is willing to meet with the Port again by the end of the year for a workshop to discuss the Harbor Master Plan.

ADJOURNMENT: The Special Meeting was adjourned at 5:35 p.m.

Approved:

Minutes prepared and submitted by:

  
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Commissioner Curt Gordon, Clinton

  
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Molly MacLeod-Roberts, Port Clerk/Accountant

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Commissioner Jack Ng, Freeland

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Commissioner Ed Halloran, Langley

**Public Disclosure Statement:** The foregoing Meeting Minutes, audio recording and all supporting documents presented are available at the Port of South Whidbey, 1804 Scott Rd., Suite 303, Freeland WA 98249. The City of Langley's audio recording and minutes of the Special Meeting are available at [www.langleywa.org](http://www.langleywa.org)

\* Approved during regular meeting Oct 11, 2022 which Commissioner Jack Ng attended remotely via Zoom meeting service.