

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

March 23, 2009

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 Manager
Molly MacLeod-Roberts, Port Clerk

Shannon Kinsella, Reid Middleton, Inc.
Tony Puma, Boatyard Inn Owner/Bainbridge Res.

Absent: None

1. MEETING CALL TO ORDER:

The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on March 23, 2009, at the Port office located at 5492 S. Harbor Ave. in Freeland, WA. As announced, the purpose of the Special Meeting was to meet with the representative from harbor design engineer Reid Middleton to review their initial Pre-Design Study findings with respect to review of prior wind and wave studies, as well as other prior information, and to discuss initial layout concepts and associated cost estimates. The meeting was intended for direct Commission and staff discussion of engineering findings with the engineers. Due to the preliminary/draft status and technical /detailed nature of the issues, public participation was not scheduled for this focused Special Meeting, although the meeting was open to the public. Commissioner Slinden, President, called the meeting to order at 1:00 p.m., followed by the Pledge of Allegiance.

Commissioner Slinden invited Shannon Kinsella of Reid Middleton to present and discuss the Preliminary Port of South Whidbey Langley Small Boat Harbor Expansion Pre-Design Alternative Plans 1-5 (**EXHIBIT A**) as previously submitted to the Commission.

2. REID MIDDLETON (RM) PRELIMINARY ALTERNATIVE PLAN DRAWINGS:

Kinsella explained that RM had conducted a Pre-Design Study to review information provided in previous studies and reports on the site. She explained they looked at various layouts that were proposed throughout the years from a variety of sources. For their scope in this pre-design phase, RM was tasked with coming up with 3 potential alternatives for the breakwater location and preparation of cost estimates for those alternatives. RM was also directed to identify future studies that might be needed, particularly additional environmental background wind/wave studies, and make appropriate recommendations to the Commission.

She noted that Coast & Harbor Engineering (C&H) had provided the most recent wind and wave study as part of the 2007 Master Plan Update prepared by Art Anderson Associates (AAA). C&H used three sets of data points, obtained solely from the west side of Whidbey Island, to analyze wave conditions in the harbor and provide a range of return periods for storms (2-year, 5-year, 10-year, etc.). Kinsella said that in reviewing that study and looking at the project site, she agreed it was a valid analysis. However, RM's recommendation is that one more point should be added: Paine Field in Everett, which is southeast of the harbor on a plateau. She said it would give a good balance to the previous 3 points, and since RM has done a lot of work at Paine Field, it would not require a great deal of research to get the information. It could provide additional confirmation and validation of the work done by C&H. Kinsella said RM would look at maintaining operational conditions within the harbor for a 2-year return period, and would design the floating breakwater for at least a 50-year event.

Commissioner Seitle asked what were the assumptions about wind speed, wave height and period for a 50-year event, and Kinsella explained that the design of the Bremerton breakwater was for a 3-ft., 2½ second wave, and when RM looked through the reports it appears that a 50-year event would have a 4-ft., 4½ second wave, and that is what the cost estimate is based on for the anchor chain for the breakwater. Commissioner Seitle said he looked at the 3 previous data reports and for a 50-year event came up with 38.5 mph winds from the north with 4.6 and 4.2 in wave heights and 4.9 and 4.6 in periods. He also found an interesting Navy study that showed what would happen if you have wind speed of 60 mph for 2 hours that he passed along to Kinsella. She said RM also has data from the Corps of Engineers that has extreme wind speeds for specific areas, including Paine Field.

Kinsella explained that the anchor chains would be designed for the new wave conditions at the harbor. The breakwater structure has redundancies, and when looking at wave forces there are a lot of factors of safety that go into taking a particular wave height into loads on the structure. She explained that RM would provide the factor of safety for a 3-ft. wave for example, and then for a 4-ft. wave they would allow for some amount of reduction in that previous factor of safety. The critical issue is the anchoring system.

RM actually came up with four different concepts instead of three, plus Alternate Plan 5 – a reduced-scope portion of Alternate 4 that could be done within the Port's available budget of \$2 million.

A. Alternative Plan 1: Kinsella explained Plan 1 is similar to some earlier options that featured a rectangular marina. The pros of Plan 1 include a lot of linear side-tie moorage and room inside for some longer laterals and docks, but it's also a lot of breakwater and a lot of cost. She noted that the dock in the corner would be in fairly deep water (60 ft.) and the cost for the longer pilings and chains would go up while the return on investment would go down.

Kinsella noted that all the plans have the same margin of safety, and the slips in all the plans line up "north and south." RM highly recommends the north-south alignment based on the predominant wave height coming from the north. Rather than connecting to the new breakwater, RM has shown the option of some of the future slips in Plans 1 – 4 being accessed by cutting an opening out of the existing stockade. There are provisions in all the plans for kayaks and small boats.

B. Alternative Plan 2: Kinsella noted that Plan 2 features a rectangular-shaped breakwater configuration with some of the larger slips up to the north. It also has 3 laterals instead of 2, with the southernmost lateral accessed off the existing marina. Plan 2 provides the most

moorage (114 slips and nearly 1,500 linear ft. of inside moorage). The outside of the breakwater could provide additional seasonal moorage.

C. Alternative Plan 3: She explained that Plan 3 eliminates the right angle corner in deeper water and pulls the lateral back while still providing close to 100 new slips. Since Plan 3 has a lot less floating breakwater, the cost is less. Kinsella added that all of the options have 30', 40' and 50' slips with side ties for larger vessels.

D. Alternative Plan 4: Kinsella described Plan 4 as a nice variation, since rather than a big U-shaped marina with an entrance on the south towards the shallow area, it has an opening near the center. Since the southernmost breakwater is in shallower water, it could be supported with piling.

Kinsella explained that one of the reasons for using an opening in the existing stockade for connection is that, in the future as the existing marina nears the end of its design life and needs to be replaced, the new slips can be kept functioning by adding a temporary crossing while the old marina is removed.

E. Alternative Plan 5: Plan 5 shows a base phase of the gangway, the landing float and the 400' breakwater. With new utilities, the gangway, pilings, and the support for the landing float and transition to the breakwater, anchoring system, etc., Kinsella said this phase gets the Port to their budgeted \$2 million (\$2.2 million with contingencies and escalation added). If the Port opts for Plan 5 as a base phase, one of the key things to look at is whether the 400' breakwater could be angled to provide more protection in a way that would be cost-effective so it can be rotated back out when it's time for expansion of the marina. The only issue is that the area inside is exposed to the south and would have to be transient moorage and would have some operational issues. Plans 1-4 all feature the breakwater located to the north. Kinsella said RM would look at potentially refining the design of any new breakwaters for width, etc. to determine what is most effective for use and cost.

3. RM OPINION ON PROBABLE CONSTRUCTION COSTS FOR ALT. PLANS 1-5:

Referencing their estimated Opinions of Probable Construction Costs (**EXHIBIT B**), Kinsella explained that the construction costs for Alternative Plans 1- 4 include contractor mobilization and demobilization, temporary facilities (booms, fencing, etc.), demolition of the existing Hein dock and removal of the sunken tire reef. Ed noted that the raw numbers for demolition/removal totaled about \$250,000 plus mark-ups, so if the Port can chase down money for removal and disposal, "That's a big chunk of change off the bottom line."

Commissioner Slinden asked if planning and permitting was included, and Kinsella said they have engineering but no mitigation or permitting costs. Ed explained that there is \$110,000 in the Port's 2009 budget for Engineering, Design & Permitting, so it is not included in RM's cost estimate. He and Dane had added in mark-ups and included the standard contractor overhead and profit, escalation of 5% to plan for two years out, a 15% construction contingency (unforeseen conditions, early stage, design estimating, etc.), plus 7.5% engineering (with the assumption that would cover the post-permitting, preparation of the bid documents, as well as the design assistance during construction).

In response to Commissioner Seitle's questions regarding anchoring the breakwater, Kinsella explained that it was designed with H Piling rather than Helix, which is used for lighter weight

breakwaters. The cost estimate is based on driven, buried H-piling to anchor the anchor chains to.

Kinsella explained the cost estimates for Plans 1-4 are set up for to show a subtotal for the initial cost of the outer perimeter breakwater as shown in the drawing (the part that is not dashed), followed by the subtotal for the 2nd phase of marina expansion, and ending with the total project cost estimate. **Alternative Plan 1:** Kinsella noted it has a lot of breakwater. The base phase is estimated at \$6.4 million, with the total estimated at \$10.35 million. **Alternative Plan 2:** This plan features the three dock laterals, and the estimated base cost is \$6.25 million. Because of the 3 dock laterals, the Future Marina Expansion phase estimate is higher (\$5.8 million), with a total of \$12.1 million.

Commissioner Seitle asked about the cost per sq. ft. for dock space and for pilings, and Kinsella said the cost per sq. ft. for the regular interior floats is \$70/sf for furnishing and \$10/sf for installing and the cost per sq. ft. for the breakwater is \$125/sf for furnishing and \$15 for installing. The cost for marina piling is about \$6,000 per pile including furnishing and installing, based on the assumed average piling of 18" diameter. The H-Piling is estimated at \$9,500 per pile.

Alternative Plan 3: Kinsella explained there are some savings in this plan due to eliminating the deep water corner. The initial base phase is estimated at \$5.6 million, with a total estimated cost of \$10.78 million for the whole project.

Commissioner Seitle asked if Kinsella expected the Commission to make a decision on which alternative is preferred even though the Port doesn't have the money for Plans 1-4, and she explained that was why RM came up with Alternative Plan 5, which can be done with the existing budget of \$2.2 million. She understands that the Port cannot afford the full build-out, but explained that RM wanted to make sure that nothing is done that precludes future build-out.

Alternative Plan 4: Plan 4 is similar to Plan 3, and costs less than each of Plans 1-3, with an estimate of \$4.4 million for the base and a total of \$10.2 million. **Alternative Plan 5:** Kinsella explained that Plan 5 could be used as the base for any of the previous plans discussed. RM recommends really looking at what makes the most sense for the orientation of the 400' breakwater.

Regarding Alternative Plan 5, Harbormaster Rick Brewer asked if there was any way that some form of floating barrier could be put out to help prevent some of the inflow of debris and flotation. Kinsella said they could use a log boom and it could be cost effective.

Port Manager Ed Field asked if the \$285,000 for electrical in Plan 5 included wiring in conduit or was it just for empty pipes and conduit. Kinsella said it's for enough conduit for future expansion, but cabling through just enough to power up the breakwater. She added that RM hasn't done a full inspection of the breakwater's electrical system, and there may be a lot that can be salvaged there. Ed noted that although the number is relatively high for the relatively short amount of dock being put in, but it would be putting in the wiring that would ultimately feed the expansion.

4. Commission Discussion of Preferred Alternative Plans:

Commissioner Seitle said considering economic circumstances, he wondered if the Port could afford an Alternative Plan 5A, adding one pier and fingers to the interior part. Kinsella pointed out that it would not be protected and would be very exposed. Commissioner Slinden noted that the Port needed to select one of the Alternative Plans 1-4 to go forward with permitting, and look to Alternative Plan 5 for the actual construction element. The priority is to get the breakwater in

place, and any add-ons could be made in the future. Commissioner Tapert said his preference leaned toward Alternative Plan 5, with Alternative Plan 4 as the full build-out. He asked Kinsella if it would be feasible to put fingers perpendicular to the inside of the breakwater. She said it could be doable, but there are implications such as the breakwater has a much higher freeboard, etc.

Commissioner Seitle agreed they could start with Alternative Plan 5 and go to Alternative Plan 4, but suggested that the 400' breakwater should be interchanged with the 370' breakwater. Commissioner Slinden noted that Plan 2 has the most slips (114 additional slips) and asked for opinions of that plan as well. Adding the existing slips to the 84 slips in Plan 4 would total 124 slips, and Commissioner Seitle felt that total was consistent with what the upland area can support. Ed added that Plan 2 with might "look too large" for the City of Langley.

The Commission discussed the potential to add additional moorage as soon as possible for yacht clubs, etc. by using Mediterranean ties to the breakwater and/or buoys. Ed said he and Dane are looking into the buoy field concept and the total cost. Dane added that he is working on a business plan for a mooring buoy field and is about 1/3 of the way through it. He said it would definitely be a multi-year payback – it's not something that would be paid for within a year.

Rick agreed that Alternative Plan 5 is workable with a log boom to catch the debris, and said he liked Alternative Plan 4 as well. For Plan 4, Kinsella noted that the 125' fairway between the breakwater and the 50' slips could be changed since a typical fairway is 1½ times the length of slip. There could be a 50' slip, a 75' fairway and 50' fingers as Commissioner Tapert suggested earlier.

Ed asked about permitting periods, and Kinsella said it is typically a 5-year, extendable window. He asked if it is a huge permit complication to go in with a Phase I (Plan 5) and a Phase II (Plan 4). She said it depends on how it is presented, and explained that by showing all the docks, etc. they would need to discuss what is the mitigation and what is the complete impact of the whole marina, and probably set the schedule for Phase II as well.

Commissioner Seitle said the Port doesn't have \$2.2 million unless they borrow the money and he wondered if they looked at Plan 5 in a design/build process if they could do it with the money approved by the Council of Governments (COG) from the Rural County Economic Development Fund (RCEDF). Commissioner Tapert said the Port won't get any of that money unless it is matched, and Commissioner Seitle said that wasn't true. Commissioner Slinden noted that the matching contribution was included in the application, and it was approved based on that application. She proposed that the Port should send a clarification request letter to the Island County Commissioners so the Port has something in writing that defines the commitment. Commissioner Seitle said he asked the County's Budget Director specifically if there was a matching requirement required for the grant and she said there wasn't. Commissioner Tapert said the 50% match was discussed as requirement at the COG meetings, and Ed added that the Port committed to the 50% match in the RCEDF application. Commissioner Seitle disagreed.

Commissioner Slinden said the Port needs to do this project, and has a commitment of \$1.2 million from the County. The Port still needs to come up with the rest of the money for the project, whether it's called a match or not. She said based on the email from the Budget Director that made no mention of a match requirement, she was inclined to think that the Port is not obligated to provide a match. Ed noted that some of the other competitors for RCEDF might challenge that, since the reason why some of them were not approved or the money not paid out was because they couldn't come up with the matching funds.

Commissioner Slinden noted that Tony Puma had attended several Port meetings on the subject and invited him to share any questions or comments he had. Puma noted that the fundamental premise for the first phase includes utilities for future phases, and that's okay as long as there are future phases but it's a big assumption. He suggested Dane should take the projected revenue numbers and see if it ever works. Puma said they will then have to ask themselves, "Is this really a Phase I, or is it a Phase All." From a design standpoint, he said Plan 4 was fine and added that he liked Commissioner Tapert's suggestion of adding fingers to the breakwater. Puma felt the question of utilities was very significant and they don't need anything for utilities for the 1st phase except some lights. He said the Port should really do the project on a design/build basis because to design it and bid it and then build it puts them at great risk. Puma said they should consider bidding the design/build in Canada, where there are reputable companies eager for the work. Commissioner Tapert asked if the law had changed regarding port districts being restricted from doing design/build basis projects. No one knew if the proposed legislation had passed or not, but Ed noted it was for 10 trial projects only – not necessarily for the first 10 projects, but for the 10 approved by the appropriate infrastructure Board.

Commissioner Seitle said the Port could do a Request for Proposal (RFP) for a design/build of Plan 4, and option it so they get some prices and divide it into two phases. Commissioner Slinden said she doesn't see any of Plan 4 happening beyond Plan 5 in the next few years, so it would be a waste of time to even start getting bid numbers now because they first need to get Plan 5 in place and functioning. Commissioner Seitle explained they need to permit based on the Plan 4 envelope, which Reid Middleton will have brought to the level of 30% design, and send out an RFP for a design/build of Plan 4 with the first phase being Plan 5.

The Commission unanimously agreed that Alternative Plan 4 was the preferred plan for a final footprint for permits. The Commission also agreed that the Port would move forward with Alternative Plan 5 as soon as possible, would look for the funding, and would evaluate the electrical situation.

Commissioner Seitle said he would like to know... "how Reid Middleton really feels about the 50-year return event survivability (not basic adequacy, but survival ability) of the 400' breakwater. Kinsella said she would like to look closer and also look at the Everett information, but if the anchor chains are designed appropriately, the structure will survive. It may be damaged, but it will survive.

Ed summed up the next steps as follows:

- Complete any remaining Pre-Design study issues, heading toward Alternate Plans 4/5
- Evaluate existing and potential electrical conditions. (Not included in the Pre-Design Study, so Kinsella said RM would provide a proposal for that evaluation.)
- RM to work on permitting concurrently with completing Pre-Design Study issues

Kinsella said nothing RM is doing now precludes going to design/build, and noted that even with a design/build on marina projects, you have to do performance criteria and establish what you want as a minimum. For most of RM's recent marina projects, they have been doing just performance specifications. Ed explained they could have design/build components, but within a larger, traditional design-bid-build contract.

Commissioner Slinden asked if Reid Middleton would have the final draft Pre-Design Report and Design/Permit Proposal completed by the Port's regular meeting on April 15th and Kinsella said, "Yes."

With respect to the Department of Natural Resources (DNR) lease, Dane noted that the Port has a pretty significant critical issue: the Port doesn't control the uplands property offshore of the area being discussed for Alternative Plan 5 – that area is owned by Tony Puma and Paul Schell. DNR will not give the Port a lease for that area unless the Port has the approval of the uplands landowners. Puma said the Port can count on it, but he wants to reserve the right to see what the Port is actually going to do before he'll "sign on the line." He suggested Dane could tell DNR that the Port has tentative approval from the owners, but Dane explained that wouldn't work because DNR would need a letter from the owners. Puma said he would like to talk to Dane about it and get more details. Commissioner Slinden asked about the timeline, and Dane said in his view, "this is a critical path element." Commissioner Slinden asked Puma if he would be willing to respond "in short order" since there is an urgency issue. Puma said he wants some assurance that what is being done does not adversely affect his property. He doesn't know what is going to be built in front of him, and when he knows that he will be willing to sign off and they will actually deed the Port the titles. Commissioner Slinden pointed out that at today's meeting, the Port has pretty much committed to Alternative Plans 5 and 4 and they are moving forward for permitting and such. She asked what Puma needed beyond that, and Puma said the most important thing is he wants the Port's commitment that 50 slips in the marina are going to be transient, saying "if that's not the case, it doesn't do me any good to have a marina in front of him if they're going to rent it to people on a permanent basis."

Commissioner Slinden noted that there are 35 existing transient slips, and asked if adding another 15 is really a deal breaker. Puma said it isn't, but he would like to think about it. He said if they will commit to the 35 slips, with that assurance "a lot of things go away." Commissioner Tapert said the Port has always considered having half the slips for transient and half for permanent makes good economic sense. Commissioner Slinden said the commitment for 35 transient slips already exists, as required by the Recreation & Conservation Office encumbrances, and the Port cannot promise more than that. Puma said he would talk with Dane within 48 hours, and Dane could then report to the Commission at the Port's next regular meeting on April 15th.

5. ADJOURNMENT:

The meeting was adjourned at 2:45 p.m.

Approved:

Minutes prepared by:

Commissioner Geoff Tapert, Freeland

Edwin S. Field, Port Manager

Commissioner Rolf Seitle, Langley

Commissioner Lynae Slinden, Clinton

Exhibit A: Reid Middleton's Preliminary Harbor Expansion Pre-design Alternative Plans 1-5
Exhibit B: Reid Middleton's Preliminary Design Opinion of Probable Construction Costs for Alternative Plans 1-5