City of Bainbridge Island

Meeting Summary

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June 9, 2006

Subject: COBI/WSF Joint Planning

PRESENT:

City of Bainbridge Island	Washington State Ferries
Mayor Darlene Kordonowy	Mike Anderson, Executive Director
Council Member Chris Snow	Paul Brodeur, Director of Vessel Maintenance
Council Member Nezam Tooloee	Russ East, Director of Terminal Engineering
	Celia Schorr, Acting Corporate Communications Director

FACILITATORS:
Marcia Wagoner, PRR, Facilitator
Cathie Currie, City of Bainbridge Island, Scribe

AGENDA

1) Information Clarification
2) Clarification
3) Position Changes/modifications in this process
4) Points of Agreement
5) Points of Disagreement
6) Summary
7) Next steps

MEETING NOTES:

This is the fifth meeting between Washington State Ferries and the City of Bainbridge Island to define issues and discuss a path forward between the agencies in planning for the larger ferry terminal area.

INFORMATION CLARIFICATION

Mike Anderson stated that WSF needs acknowledgement from the COBI on whether it can agree to the following key points:

- Maintenance Facility stays at its current location.
- DOT is lead agency.
- Haul Out facility will be limited to one acre, with the caveat that there would still be room for discussion on adjustments such as shared parking, etc.

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Council Member Snow stated that, on the first key point, the real question is, if the Maintenance Facility stays, on what terms does it stay? To determine that, the parties need to iron out the substance of a cooperative planning agreement. This will guide the process of determining "how does it stay." We may then be able to change the plan to satisfy concerns on both sides.

Mike noted that taxpayers get frustrated because agencies plan forever and don't construct projects. If we're in agreement on point "1", that we keep the facility located at Eagle Harbor, there are lots of subsets that WSF is willing to discuss. Simply letting the courts proceed is an option if there is no common understanding.

Paul Brodeur stated that as maintenance director, he needs to be able to do his core business, which requires moving forward with Phase 4, which is the point of real importance. WSF is aware of some of the issues with surrounding neighbors and the importance of how those issues are resolved. WSF works to be responsive to any expressed concerns.

Mike Anderson stated that WSF needed specifics from COBI for "how it would look" if the Maintenance Facility stays. As the property owner, WSF is committed to maintaining this location. The recent exchange of letters addressed some "hows." WSF needs assurance that it will have a facility that will perform key organizational functions. For this to happen, the upgrade of Phase 4 needs to take place soon; the timeline for that project has already been compromised. WSF emphasized that Phase 4 does not involve expansion of or exterior changes to the existing building; all changes would take place within the building.

Further discussion per the city's request clarified that WSF's Phase 4 plans consider relocating the existing store room function to the blue building as one option during construction. Other options include but are not limited to using alternative existing facilities or erecting temporary facilities on site which would likely be more expensive and less attractive.

Phases 2 and 4 are under current DNS; 3 and 5 have always been intended as a part of the long-term plan and would go through a separate SEPA process. The only exterior work in phases 1, 2 and 4 would be on the dock – and there would not be any changes that would be visible. For purposes of operational efficiency, WSF would like to conduct the improvements in the order of 1, 2, 3 and 4. WSF has offered to enter into a coordinated planning effort with the City on Phase 3, but would like to keep it on its current timeline. Paul noted that it would be nice to do Phase 3 before Phase 4, but completion of Phase 3 is not essential to moving forward with Phase 4.

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It is crucial for WSF's operations for Project 2 to stay on track. "Mixing" it in a SEPA process with Phase 3 could delay WSF's necessary preservation activities, which would not be acceptable for safety reasons. There is no determination yet on the SEPA process for Phase 3 but it could be complex. Mike Anderson reiterated that WSF has always seen Phases 2 & 4 as exempt and that the system needs to stay on the identified timeline for those two phases.

Mayor Kordonowy suggested that, with the SEPA "moment" occurring for Phase 3 design, planning developments at that point could affect WSF's plans for Phase 4. She suggested that COBI and WSF work together through the SEPA process to conduct a process for Phases 3, 4 and 5 that would allow WSF to stay on the schedule it wants, and resolve issues as they develop. Perhaps the two organizations could serve as co-leads on the SEPA process. Council member Snow noted that WSF's investment of $20 M in phases 2 – 4 provides momentum for Phase 3.

Mike Anderson noted that this is the crux of the issue. The planned investment of $20 million means the WSF is planning to stay at Eagle Harbor. Celia Schorr inquired if the issue is the location of the maintenance building or the fact that the facility is at Eagle Harbor.

Councilmember Tooloee returned to the early comment that the issue is "how WSF would stay, not if." He noted that COBI constituent's views range from having the facility leave to having it stay forever.

- WSF is clear that Phases 2 & 4 hang together for maintenance and preservation of the facility, while 3 & 5 hang together as improvements.
- COBI believes that Phase 4 is related to Project 3 (encompassing Phases 3 & 5), but understands that Phases 1 & 2 are separate from the others.
- COBI understands that WSF believes Phases 2 & 4 are a separate project. If it is a foregone conclusion that Phase 4 would involve keeping/reinforcing an $18.2 million investment in the existing building, taken together, Phases 3, 4 and 5 would determine the configuration of the site.

Councilmember Tooloee reiterated the COBI perspective, stated at previous meetings, that:

- Everything that is being planned for the site should be considered as a single package under SEPA.
- COBI's perspective is that "you can't slice up" the projects.
- COBI would be interested in pursuing a co-lead or cooperative lead approach to the SEPA process.

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- An exploration of the "full range of options" for phases 3, 4 and 5 once, with "all constraints set aside," might result in the identification of new options and identify other criteria that would lead to a "better way" to approach the whole project that might be beneficial both to the Island community and to WSF.

WSF staff noted that the connection among the projects is not necessarily driven by business function; it is based on site configuration, so a holistic approach might not result in a facility that will best meet the needs of the ferry system.

Mike Anderson reiterated that WSF cannot afford to miss beginning construction of Phase 4 in 2008. If for some reason there is a SEPA delay on Phase 3 that prevents it from moving forward as scheduled, WSF would move activities on Phase 4 earlier, in order to keep moving on the project and providing deliverables for allocated funds as specified by the state legislature. In addition, given all the work that WSF has put in to date in evaluating the location for the facilities, they are not sure that further re-evaluation would result in a "better" approach. If Phases 4 & 5 were "packaged" with 3 and an agreeable outcome were not to be achieved, resulting in litigation, WSF could not afford to wait for that to be resolved before confronting the activities needed for Phase 4.

It was reiterated that the goal of establishing an agreement now is to avoid wasting money on litigation by both parties.

Perhaps a comprehensive planning agreement might allow that, at some point in the process, if an agreeable comprehensive plan for all Phases were not achieved, WSF might move forward with implementation of the current plan for Phase 4.

It was also suggested that it might not be necessary for a comprehensive design process to begin with a clean slate. Perhaps it would be possible for the design process to incorporate the work already done by WSF to evaluate siting and design alternatives for the Maintenance Facility, and communicate that analysis to the public. It might be clear that WSF has already taken a hard look at the alternatives and that the Maintenance Facility is in fact in "the right place".

POSSIBLE AGREEMENT

Council member Tooloee suggested that it might be possible for the two organizations to agree:

1) Tie Phases 3, 4 and 5 together.
2) Look at the options (including new ones –MOA, the Ravine, etc.)
3) Do the SEPA process.

4) The City would support the policy, planning and permitting process with a commitment to ensure that construction necessary for preservation, maintenance and repair could be completed by 2009.

This collaborative, public process would likely produce a permit which would be relatively safe from legal challenge.

WSF representatives pointed out that the linkage of 3 and 4 through a SEPA process might influence the permitting timeline, and would leave the door open to appeals, which could slow work on Phase 4. Perhaps COBI could agree to go forward now with permitting Phases 2 & 4, and work with WSF to do a non-SEPA joint planning process for Phase 3. If something emerges from this process that would benefit Phase 4, WSF might buy into it.

COBI representatives suggested that the agreement could actually stipulate that the City "shall undertake the actions required from a policy and regulatory standpoint to facilitate the timely completion of the project."

Mayor Kordonowy suggested that a public process, such as a design charrette, which might bring WSF, COBI and the public together, could bring members of the public who otherwise might be inclined to appeal the process to learn that the currently planned location for the Maintenance Facility location makes sense.

CONCERNS:

There was discussion of whether the City making a commitment to "undertake the actions required from a policy and regulatory standpoint to facilitate completion of the process" might compromise the SEPA process from a legal perspective. Since "Phase 4" is already defined, any agreement should not stipulate plans for completion of Phase 4, but rather should refer to "construction necessary for preservation, maintenance and repair."

The WSF budget is allocated by Phase. If a different alternative were selected, it might not fly under the budget. The budget is a key framework for the entire process.

COBI representatives offered that the agreement could take the budget as an assumption. There could be understanding that WSF might choose to advocate the reallocation of funds between the Maintenance Facility and the terminal.

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It was also suggested that, if a joint planning effort were undertaken for the Maintenance Facility, the Terminal, and the Ferry District, additional funds might become available both from COBI and from other sources.

Mike Anderson pointed out that the risk of delay in the project is a serious issue for the state – in terms of construction costs alone. The legislature, DOT, and the transportation commission have already blessed the current plan. They would see risk to the budget and schedule in beginning a new process. If such a process were to result in reconfiguration of the project, the entire design/construction and budgeting process, including achieving legislative approval, would have to begin again. Mr. Anderson reiterated that it is crucial for WSF that permits are approved now for Phases 2 and 4; there is more flexibility in planning for Phase 3.

It was suggested that if COBI were to permit Phases 2 and 4 now, the Determination might be shifted from a Determination of Non Significance to a Mitigated Determination of Non-Significance. What would mitigation involve?

Mayor Kordonowy pointed to the example of Winslow Tomorrow, in which the public planning process allowed for community discussion and education, causing a shift in understanding and approach within the community. A collaborative planning process in this case could result in similar change in the understanding and perception of WSF's plans for the maintenance yard within the community.

BREAK FOR CAUCUS

The group decided to separate and caucus on "where to go from here."

WSF OPTIONS

<u>WSF presented their thoughts for how to move forward:</u>

- It is crucial that WSF makes progress on its existing plans. They cannot link Phase 4 to Phases 3 and 5 (In other words, Project 2 is separate from Project 3). It would not be a simple matter for the state to accept this, given the potential impact to funding and timeline. It is not feasible to link a piece of the project (Phase 4 – part of Project 2) which is on track, to the development of plans and funding for another piece (Phase 3 –part of Project 3), especially as 4 is a rehabilitation of an existing facility and is such a fundamental operational need for the entire ferry system.

- June 14 is still a real deadline for WSF to maintain their forward momentum. By the end of the month, WSF needs assurance of permitting for current plans, or would need to start the legal process.
- Other areas can be open to discussion outside of the location of the existing maintenance building and laydown area: Discussion could include the location of the small store room and annex, the timeline for changes outside of the existing building, exploration of other alternative approaches to Phase 3.
- As offered at all previous meetings, if agreement can be reached, WSF is willing to re-examine parking, consider an alternative site for storage and enter into a joint planning arrangement for the new terminal facility.

<u>COBI presented their thoughts on how to move forward:</u>

- COBI would like to see the two organizations combine an approach to Phases 3, 4 and 5 in an agreement that commits the City to work with WSF, and support its objectives to meet a 2009 timeline.
- To facilitate this, it might be possible to withdraw or stay the DNS.
- COBI believes that WSF's concerns about funding and timeline can be worked out if we commit to such an agreement.

The group concluded that the two sets of proposals are not currently compatible.

NEXT STEPS:

COBI should brief City Council and WSF should brief DOT and let them know that it appears that the two parties may not come together on a workable agreement. Then determine whether another meeting would be productive.

WSF encouraged COBI to consider its efforts to cooperate and make concessions to the community's needs over the last six months, in particular through aspects of Phase 3 that are now on the table for cooperative planning.

The two organizations both feel that, in areas in which they can, they want to continue to work together.

The parties will think about what they have learned and heard, and will reconnect following the Hearing Examiner session on June 15 to schedule a possible subsequent meeting.

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