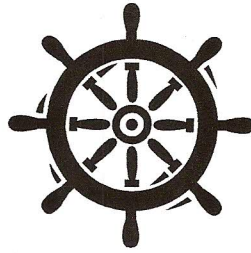


**PORT OF ILLAHEE**  
**2016 MEETING MINUTES**



**THE PORT OF ILLAHEE OF KITSAP COUNTY REGULAR MEETING.**

**SCHEDULED FOR THE SECOND WEDNESDAY OF THE MONTH**

**MEETING DATE: WEDNESDAY, AUGUST 10, 2016**

**MEETING TIME: 5:00 PM**

**LOCATION: 5500 ILLAHEE RD  
BREMERTON, WA 98311**

**COMMISSIONERS PRESENT: All**

**COMMUNITY MEMBERS PRESENT: See Attached**

- (1) THE MINUTES OF THE PREVIOUS REGULAR MEETING WERE READ AND APPROVED AS WRITTEN.**
- (2) VOUCHERS WERE AUDITED AND CERTIFIED BY THE AUDITING OFFICER AS REQUIRED BY: RCW 42.24.080.**
- (3) EXPENSE REIMBURSEMENT CLAIMS HAVE BEEN CERTIFIED AND RECORDED ON A LISTING WHICH HAS BEEN MADE AVAILABLE TO THE BOARD, AS REQUIRED BY RCW 42.24.090.**
- (4) GENERAL FUNDS VOUCHERS: #4051 THROUGH # 4062  
APPROVED TO PAY VOUCHERS FOR A TOTAL OF: \$14,254.04**
- (5) TREASURE REPORT: As of 8/3/2016 General Fund: \$ 36,424.11  
Investments: \$311,375.51**
- (6) COMMISSIONER'S REPORTS:**
  1. Public Hearing to consider an amendment to the Comprehensive Plan. Minutes are attached
  - 2.
  - 3.
- (7) DOCK MANAGER'S REPORT:**
  1. Received some used fire hose from Station 45 for bumpers around the floats

**(8) COMMUNITY INPUT**

- 1.
- 2.

**(9) UNFINISHED BUSINESS:**

1. Illahee day: August 13 McClouds will be catering hot dogs and hamburgers only. Setup at 10:00, ICC will do program
2. 5500 Illahee Rd:
3. 5560 Ocean View Blvd:
4. Comprehensive Plan:
5. MT Illahee outfall issues:
6. Web page: Emails, such as those recently received from the DNR, are being added to the website on a new DNR page.
8. ADA Special Committee: OBE
9. Illahee Store:
- 10.

**(10) NEW BUSINESS:**

1. All Ports meeting minutes are on the web page
- 2.

**(11) PUBLIC QUESTIONS:**

- 1.
- 2.

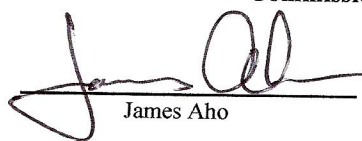
**ADJOURNED AT 7:00 PM**

**Next scheduled meeting: September 14, 2016 @ 5:00pm**

**Next All Ports meeting: October \_\_, 2016 @ 7:00pm Port of Brownsville**

**Commissioners**

  
Cassie Magill

  
James Aho

  
George Schaefer

Illahee Port District  
Public Hearing Minutes – August 10, 2016

Commissioner Jim Aho called the Port of Illahee's Public Hearing portion of the regular meeting to order at 5:05 PM at the Port meeting room, 5500B Illahee Road. Also present were Commissioner Cassie Magill; Commissioner George Schaefer; Zach Aho; Roy and Vickie Barton; John and Sharon Burton; Terry and (son) Joseph Cox; Kristofer Cruz; James and Sabine Hazel; Bob and Carol Henning; Don Jahaske; Erwin and Judith Krigsman; Danya McConnell; Mark Moshay; Julie Schussman; Rob Spearman; Mike and Carol Zeitner; Tim Knapp of TIKAR Services; Christian Vosler with the Kitsap Sun; and Theresa Haaland, minute taker.

Notice of this Public Hearing was published in the local newspaper inviting the public to voice their opinions regarding the Port's intent to amend the Comprehensive Plan to include the possible acquisition of the former Illahee Food store property (5507 Illahee Road), if and when it may become available, for use as a multi-purpose Community Center.

Commissioner Aho provided everyone with a copy of Resolution 2016-4 Comprehensive Plan Amendment 2010-1 and a fact sheet regarding the former Illahee Food store property. Both the Resolution and fact sheet are attached to these minutes. If this Resolution is adopted it will allow the Port to move forward with the possible acquisition of the property. Commissioner Aho read the Resolution and fact sheet.

Commissioner Aho explained that the Public Hearing portion of the meeting would begin immediately. It is intended for the public to voice their thoughts and/or concerns about the Port moving forward with the possible acquisition of the property. Commissioner Aho explained that during this time questions will not be answered by the Board.

Commissioner Magill read a letter that she had prepared titled, "Why Acquiring the Illahee Store/Gas Station is an Example of Wasteful Spending", which is also attached to these minutes. She explained that she doesn't feel comfortable with the Port purchasing the property as there are too many unknowns and she questioned the due diligence of such a transaction.

Ms. Schussman questioned if the Port would have enough money to purchase the property and continue to maintain the docks. She was reminded that this portion of the meeting is for thoughts and/or concerns, not questions. She explained she would need that answer before making a decision.

Roy Barton explained that he is in favor of doing something to the store, but not necessarily with Port money. He was concerned about the liability the Port may have until it could be improved. Right now there are holes in the roof and it would be a huge liability.

Mark Moshay stated that he has received permission from the owners to clean up the property. He has even been on the roof and knows that he's at his own risk on it. He has no intention of suing anyone. He reminded everyone that this portion of the meeting is for the community to have a voice – for or against, pros and cons. He believes that anytime property is purchased there is a risk. There will always be unknowns. He explained that his wife is disabled and he believes the building is Americans with Disabilities Act (ADA) compliant. It is nearly impossible for a disabled person to attend a Port meeting at the current location. He sees there are three options if the property is purchased with the anticipated problems: 1. Find a less expensive way to make improvements; 2. Defer improvements until enough money is saved; or 3. Implement a Special Levy. Mr. Moshay sees the fuel issue and the roof as the two big items that need immediate attention. He believes the Environmental Protection Agency (EPA) can perform a test on the soil and the tanks can be filled with cement. The County has the property assessed at \$55,000 and he thinks an appraisal would be much higher. He feels if the Port could acquire it for anything less than \$150,000 that would be awesome. It might take several years to bring it up to a usable state, but it could be such a benefit to the community.

Ms. McConnell mentioned that the Sheriff plans to tear the building down if it doesn't sell.

The fact sheet states that there is only one minimal lien (\$84) against the property, but there are numerous judgments against the property owners, one of which is for \$204,000. Mr. Burton questioned if the property could be purchased for less than the judgments total. The dock maintenance question raised by Ms. Schussman registered with Mr. Burton as well. He also questioned if the soil had been tested.

It was mentioned that Government entities, such as the Port, have access to grants for cleaning up contaminated property. This is something the Port could pursue in the future.

Mr. Krigsman explained that the Port has recently performed extensive maintenance on the docks with straps and bracings. So, he believes the maintenance issue is a moot point. Mr. Z. Aho added that the Port does have a good insurance policy if anything major happened to the dock.

Mr. Barton is concerned about the unknown costs. He asked if the Commissioners would personally purchase property without performing due diligence and if not, how can they use tax payer money to do anything different. Yes, the grants might offset some of the costs for remediation, but how much it will cost is unknown. He explained that you can't even see inside the windows to know what you'd be buying. Most people wouldn't buy without answers and he expects no different from elected officials. And not to mention the "numerous judgments" issue. The Resolution states "Increased usage of Port facilities has resulted in the need for additional parking which the purchase of the property will help alleviate," but he questioned how many additional parking stalls will actually be gained. He stated

that there is a drain field there and you can't park on a drain field. Until more questions are answered he is not in favor of the purchase.

Ms. Krigsman explained that for the last fifteen years she has heard people within the community asking "when is someone going to do something about that eyesore," referring to the former store property. She felt that the Port made a bad investment when they purchased the house up the street - 5560 Ocean View Boulevard. She believes the Port should sell that property and put the money in their coffers. She said Ports are in the business to provide public access and that property does not fit the mold. The former store property is more in line with the mission of the Port or at least could be with improvements. She explained that liens generally are attached to property where judgments are different and they are generally against a property owner. So she doesn't believe the judgments are an issue for the purchaser. She also doesn't believe legal counsel would be allowing the Port to proceed with a purchase if it were a bad deal. She sees it as a really good opportunity for the Port and thinks the Port may qualify for a Brownfield grant. For more information on that see - [http://www.ecy.wa.gov/programs/tcp/brownfields/brownfields\\_hp.html](http://www.ecy.wa.gov/programs/tcp/brownfields/brownfields_hp.html) .

Ms. McConnell explained that she has been part of the community since 1965 and she remembers when the store was the central location, where community members would run into each other and catch up on life. She's on the fence about the purchase; although she does agree with what Ms. Krigsman said.

Mr. Zeitner stated that the outcome of tonight's meeting is for the Port Commissioners to hear the community's input and explore the possibility of obtaining the property at a reasonable cost not actually moving forward with a purchase. He said he didn't think you could go wrong with that.

Mr. Z. Aho said he is in favor of the purchase and he also agrees with Ms. Krigsman's thoughts about judgments and liens. He believes the costs to improve the property would be minimal compared to the benefit. There is value in having a community center and he believes it would also have a positive effect on property values. He explained that economic development is one of the purposes of Ports and purchasing the property seems appropriate.

Mr. Henning thought the cart was being put before the horse because the resolution states the "possible" acquisition.

Mr. Barton explained that the wheels are already in motion due to Resolution 2016-3 "Illahee Property Bid Authorization" already being adopted. He added that purchasing it because it's an "eyesore" isn't a good reason. There are several derelict properties in the community and he asked if the Port would begin purchasing more of these types of properties. The community clean-up was last weekend and only three people showed up to participate. It makes him question if the community even really wants a gathering place.

Mr. Cox said he works at Bangor where fuel tanks were recently removed. The ground had to be tested and the area that had to be filled got larger and larger, so this could become a very expensive endeavor.

Mr. Spearman felt that the lack of people showing up for the clean-up day shows there is a lack of community, but maybe with the addition of a community center that would change. He is also part of the Illahee Preserve group and they are forced to meet at the fairgrounds because there isn't anywhere else close that would be adequate. He believes that the purchase would clearly be part of the Port's mission and support the community.

Ms. McConnell thanked Mr. Moshay and Commissioner Aho for cleaning up the area. They put a lot of time and effort into it and it shows.

Mr. Jahaske believes that if it is viable, the store would be a very good use as an interim Port office. He explained that the current building that the Port holds meetings at needs to be demolished. Then the Port will have no place to meet. From his point-of-view he sees the store property as a very important piece of property for the Port and the Illahee community.

Commissioner Schaefer read five e-mails that had been received regarding the purchase of the property. They are attached to these minutes.

Mr. Hazel thought the line "multi-purpose Community Center" should be struck from Resolution 2016-4 as it limits what the Port could do with the property if it is purchased.

Mr. Moshay clarified that it comes down to the decision of the three Port Commissioners. If two or more are in favor of adopting Resolution 2016-4, then so be it and if not then so be it.

Mr. Spearman questioned why a Public Hearing wasn't called when the Port purchased the other two properties it owns. He has concerns because those properties apparently aren't making the Port any money, and maybe the Port is even losing money on them. Not a good batting record, so why would this purchase be any different.

Ms. McConnell wanted the Commissioners to know that the people who own property near the former store were originally against the Port purchasing it, but have since changed their mind.

Hearing no more public input at 5:56PM Commissioner Aho announced that the Public Hearing portion of the meeting was now closed.

Commissioner Magill is also the dock manager and for the past two years she has been working hard to make the dock more sturdy; prior to that it was falling apart and very unstable. It is now very sturdy due to the new cross-bracing, sistering in several pilings

and adding extensions to the ramp. Although looking at the facility you can't really tell a lot of work has been completed underneath and it is now up to standards.

Commissioner Aho told about how he wanted to become a Port Commissioner because he didn't feel that the laws were being followed by previous Commissioners. He didn't see the transparency with the Port and hoped he could make a difference. Before moving forward with the purchase of the property he contacted a lawyer to get advice and determine if the Port could even do it. The lawyer thought the Port could put a bid on it. Commissioner Aho and counsel determined that a notice of public hearing should be published in the local paper, so that was done. He's not sure how things were done with the purchase of the other two properties. They were acquired prior to his service on the board. He explained that he heard a Port Commissioner from Brownsville mention at an All Ports meeting that if the soil is contaminated the insurance company that insured the business at the time would be held liable for the clean-up. So that is another avenue that could be investigated and if that doesn't pan out there are grants available to governmental entities.

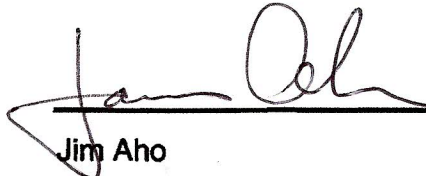
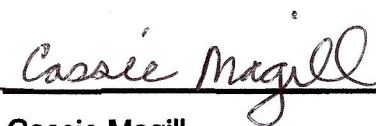

Commissioner Magill explained that she's fairly new to the Illahee community. She wasn't in the area fifteen years ago, so she never saw the store/gas station actually running, but reminded everyone that back in the day gasoline had lead in it. If the Port were to obtain a grant there could be conditions to the grant, which may even include that the building would need to be demolished. And if that's not the case and the building was to be upgraded the septic system may still be a problem. Could you imagine having to use a port-a-potty for a community center?

Commissioner Aho wanted everyone to be aware that if someone with a disability cannot attend a Port meeting because the space is not ADA compliant, the Port could be sued. Originally the Port office was at the Ocean View property. Then the current location was acquired, but it is not ADA compliant. The store property, which is ADA compliant, would make a great multi-purpose meeting space for the Port and community center. Commissioner Aho discussed due diligence and how all three Commissioners are very diligent and fiscally responsible. The purchase of the former Illahee store property has been being discussed for the past fifteen years by past and present Port Commissioners and now there is a chance to purchase it. It seems logical to pursue it.

Commissioner Magill said that the Port is a Special Purpose Municipal Governmental entity and legally cannot run a community center. It is not what Ports do. This was questioned. The Gilberton Community Center in Brownsville was discussed. It is unknown who actually owns that property. Just because it sits within the Port of Brownsville boundaries, doesn't mean they own it. Mr. Barton believes it is run by a stand-alone group, who rents out the hall and had heard they are hardly hanging on. Ms. Schussman questioned that if Commissioner Magill has paperwork stating a Port cannot own a community center then why would that wording be used in the resolution. Commissioner Aho explained that Ports were established to create economic development and he believes having a multi-purpose facility would do just that.

Commissioner Schaefer added that years ago the Port of Illahee nearly purchased the golf course. He questioned Commissioner Magill's comments.

At 6:18PM Resolution 2016-4 Comprehensive Plan Amendment 2010-1 was adopted (Aho and Schaefer in favor; Magill against).

		
Jim Aho	Cassie Magill	George Schaefer
Commissioner	Commissioner	Financial Officer



## Why Acquiring the Illahee Store / Gas Station is an Example of Wasteful Spending

The Port of Illahee has approximately 350 thousand dollars in its Investment / General Fund. This is not enough money to buy, clean up and remodel the Illahee Store property even with a grant because a grant will not pay for all that would be needed.

The Port has paid off the loan on the 5500 Illahee Road property and is in a good position to down size the existing structure into an office / meeting place. The car port has two flat parking spaces and the bathroom could easily be remodeled for ADA accessibility. There is, also, enough room for extra parking, storage for dock supplies and a picnic area on this property.

Port Commissioners Aho and Schaefer have not done their due diligence on the Illahee Store property as of the July meeting. It should include:

1. Title Search (what are you buying?)
2. Property Survey (what are the boundary lines?)
3. Easements / Right of Ways (are there any?)
4. Appraisal (what is the fair market value?)
5. Environmental Tests (Sepa compliant?)
6. Grants (does the Port qualify for and how much?)
7. Costs (what would the cost be for clean up, the building and/or repaving?)

The Illahee Store property would create no income for the Port of Illahee as my fellow Commissioners have intended for its use.

Cassie Magill  
Port of Illahee Commissioner

From: **Steve Bryant** <[stevebryantlive@comcast.net](mailto:stevebryantlive@comcast.net)>  
Date: Mon, Aug 1, 2016 at 5:47 PM  
Subject: Re: Illahee 7/31/16 Fawns, Shellfish Warning, Missing Boat, First Preserve Wedding, Port Public Hearing Aug 10th, 100 Anniversay Program?  
To: Jim Aho <[jimaho@gmail.com](mailto:jimaho@gmail.com)>  
Cc: Michael Greer <[michaelgreermd@gmail.com](mailto:michaelgreermd@gmail.com)>

Jim, nice to see you at the corner store last week. I won't be able to make the upcoming dates, but I do have some thoughts about the store being acquired by the port.

The community could greatly benefit from the beautification of the store corner. It would enhance neighborhood pride, property values, and even our sense of place. The dock and that store corner are centerpieces of the built environment in the history of Illahee. Sitting at the center of Illahee, it is a symbol of Illahee. In the hands of the port, that symbol could be a great deal more attractive; even become an expression of our affection for this remarkable place in nature.

I favor a port purchase. I don't think the property has sufficient commercial value, partly due to low traffic, partly to liability, so its prospects on the open market are limited, and therefore it's likely to remain derelict without action by the port.

(I'm not speaking for Michael but I recall him being excited by the prospect of purchase and beautification.)

Again, thanks for your leadership.

Steve Bryant (with Dr. Michael Greer)

## George Schaefer

---

**From:** kristoferc@aol.com  
**Sent:** Tuesday, August 09, 2016 9:21 AM  
**To:** illaheeport1@gmail.com  
**Subject:** Acquiring Illahee Store...

Hello,

I receive the Jim Aho email updates and wanted to put forth my opinion on the issue of acquiring the Illahee Store. I also hope to attend the Port meeting on this issue.

On the surface the idea sounds nice, however I feel there are lurking liabilities that have yet to be mentioned. Number one is the underground tank from the store's gas business. Has anyone had an environmental survey of the condition of this tank done? If not, I wouldn't want the Port to encumber the community to the potentially expensive remediation costs. Such costs, if the Port were to assume them, could have repercussions in the form of high burdensome taxes for many decades to come.

Secondly, it has been reported in the Aho updates, and one can see with their own eyes, the state of disrepair in which the Illahee Store finds itself today. Homeless squatters and collapsing roofs are but just a few of the known issues with this property.

I am not even sure if the current property owner were to gift the property to the community that the liabilities wouldn't exceed the benefits.

I am not saying I am totally against the idea, however I cannot see it as prudent to proceed with this without engaging professional consultation regarding the environmental cleanup of the tanks and the costs to bring the property up to a proper state of repair.

In my opinion at the very least, consultation with an environmental attorney for council as to potential liabilities should be conducted prior to any action being taken. Furthermore, consultation with one or more building contractors for an estimate to repair the structure would also be warranted. Finally the actual government agency responsible for the environmental protection should be engaged before the community becomes the liable entity for this property.

Of course this all hinges on whether or not the community deems this a project worth exploring. I think everyone agrees the current state of the store is an eyesore. However let's not act with haste but rather careful due diligence.

Kristofer Cruz

## **George Schaefer**

---

**From:** Robert Grow <rdgrow@gmail.com>  
**Sent:** Tuesday, August 09, 2016 11:37 AM  
**To:** illaheeport1@gmail.com  
**Subject:** Illahee Store

We are not able to attend the hearing, but we favor acquiring the store property if the cost is reasonable and no major risk of environmental remediation expense is being taken. The derelict building as it now stands detracts from the neighborhood and seems likely to attract more trouble. A community center there would be a big improvement.

Bob and Meg Grow  
6222 Illahee Rd. NE

## George Schaefer

---

**From:** Betty Robinson <[bjrobin5263@aol.com](mailto:bjrobin5263@aol.com)>  
**Sent:** Tuesday, August 09, 2016 11:48 AM  
**To:** [illaheeport1@gmail.com](mailto:illaheeport1@gmail.com)  
**Subject:** Illahee Food Store

I live in Illahee and I am AGAINST anything being done with the Illahee Food Store. There could be events being done there as a community building and I am against using it for any purpose.

Betty Robinson

Betty Robinson  
[bjrobin5263@aol.com](mailto:bjrobin5263@aol.com)

## **George Schaefer**

---

**From:** Tavis Taylor <taylorjt50@gmail.com>  
**Sent:** Tuesday, August 09, 2016 3:06 PM  
**To:** illaheepart1@gmail.com  
**Subject:** acquiring store

Using the store as a community center is a great idea except of course for the details

can we financially afford to acquire and renovate and maintain it

who will be responsible for its maintenance

Tavis Taylor MD  
5945 Illahee Rd

**Fact Sheet for 5507 Illahee Road (the former Illahee Food Store)  
(what we know as of 8/9/16)**

**Disposition Attorney**  
Gary Chrey

**Sheriff's Sale Information**  
Date and details unknown

**KC Auditor Information**  
Only one lien against the property with North Perry Water for ~\$84

**KC Clerks Information**  
Numerous judgments against the property owners  
One larger current one (2015) with Flett Dairy is for ~ \$204,000

**KC Treasurer Information**  
Tax ID 4429-015-001-0309  
2016 Taxable Value \$55,430 (land value), \$0 (value assigned to the building)  
Taxes have reportedly been paid by Flett Dairy until 2016

**Health District Information**  
Septic system installed in 1970  
System designed for 240 gallons per day per Stuart Whitford  
No complaints or issues noted in the HD files  
Curtain drain exists on the west and north side  
Initial contact with HD indicated an ADA portable toilet is acceptable should the existing septic system not be used (the Port's portable at the dock is serviced every other week)

**Buried Gasoline Tanks**  
Leakage has not been reported  
Leakage is possible in single walled tanks  
Remediation would be required if there is a leak  
Legislature in 2016 approved 95% of the funding requested for hazardous site cleanup grants

**Building Issues**  
Building is of block construction and is anticipated to be structurally sound  
New roof is required, estimated cost \$20,000 to \$25,000  
Inside work is unknown  
Zoning is not expected to be an issue with the KC Comp Plan goal to work with Port Districts

**Ground Issues**  
Surrounding vegetation needs to be trimmed back  
Drain field area needs to be delineated and marked off if septic system is used  
The pump island needs to be demolished (at the same time the tanks are dealt with)

**Other Issues?**

## Resolution 2016-4

### Comprehensive Plan Amendment 2010-1

**Whereas** Port of Illahee Commissioners approved Resolution 2016-3 “Illahee Property Bid Authorization“, subject to obtaining legal counsel, to bid on the Illahee Store property, if and when it comes up for auction at a sheriff’s sale, and

**Whereas** upon obtaining legal counsel and with the Port’s goal to be open and transparent in all its actions, the Port recognizes its Comprehensive Plan does **NOT** mention or list the Illahee Store property in its Capital Improvement Program as a property targeted for acquisition, and

**Whereas** the Washington State Revised Code of Washington (RCW) allows for changes to Comprehensive Plans via a public hearing (RCW 53.20.020), and

**Whereas** published in the Kitsap Sun on 27 July 2016 was a “NOTICE OF PUBLIC HEARING” which provides the required 10 day advanced notice for a hearing, and

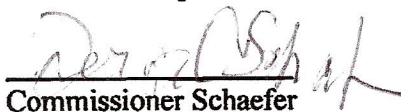
**Whereas** the notice reads as follows: “Notice is hereby given that the Port of Illahee will hold a public hearing at its regularly scheduled monthly meeting on Wednesday, August 10, 2016 at 5 pm at 5500B Illahee Road (Lower level), Bremerton, WA 98311, to consider an amendment to its Comprehensive Plan to include the possible acquisition of the former Illahee Food store property, if and when it may become available, for a multi-purpose Community Center. The public is invited.”, and

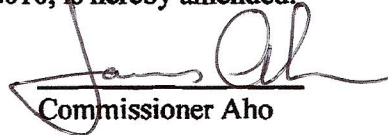
**Whereas** the hearing provides public input and testimony whether the Port’s Comprehensive Plan should be amended to include the following proposed Capital Improvement Program item:

**“It shall be in keeping with the nearly 15 year vision of past Port Commissioners’ that the Illahee Store property be purchased, if and when it may become available, for a multi-purpose Community Center. Subsequent to that original vision, the following issues have been further identified increasing the need for acquiring the property:**

- (1) Increased usage of Port facilities has resulted in the need for additional parking which the purchase of the property will help alleviate.**
- (2) Statutorily, the acquisition allows the Port of Illahee to move forward with compliance to the American Disabilities Act (ADA) requirement that its meetings be accessible to people with disabilities.”**

Upon hearing public testimony, if signed by a majority of the Commissioners, the Port of Illahee’s Comprehensive Plan of 2010, is hereby amended.

  
Commissioner Schaefer

  
Commissioner Aho

\_\_\_\_\_  
Commissioner Magill