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- The public is encouraged to comment via email to cityclerk@cityofanacortes.org or via written comment addressed to City Clerk, P.O. Box 547, Anacortes, WA 98221. Public comments received by the [City Clerk](#) prior to 3:00 p.m. the day of the meeting will become part of the record for the meeting, just as if presented in person.
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Anacortes City Council
Municipal Building Council Chambers
904 6th Street

March 25, 2024
5:00 PM

PRELIMINARY AGENDA
[Packet Materials](#) / [Watch Meeting](#)

1. **Call to Order Special Joint Meeting with the Port of Anacortes Commission**
2. **Other Business**
 - a. * Interlocal Cooperative Agreement between the City and the Port for Conceptual Design of an Event Venue (Discussion/Possible Action)
3. **Public Comment**
4. **Adjournment**

Per the council rules of procedure, a person who wishes to provide public comment at this meeting may do so:

- *On matters pertaining to a particular agenda item at the invitation of the chair at the time the City Council takes up discussion of that agenda item. Items open for public comment are indicated with an asterisk (*)*
- *On any other matter specifically pertaining to the City of Anacortes during the Public Comment agenda item.*

The City of Anacortes is committed to making public meetings available and accessible to all members of the community. For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.



City Council Agenda Bill

Meeting Date: March 25, **Agenda Item:** 2.a.
2024

Agenda Item Title: Interlocal Cooperative Agreement between the City and the Port for Conceptual Design of an Event Venue

Staff Contact(s): RYAN WALTERS

<u>Approved for Submittal to Council by</u>	<u>Action Type</u>
DARCY SWETNAM	Contract Award
RYAN WALTERS	

Item Summary: This proposed agreement with the Port of Anacortes would fund the conceptual design of an event facility as described in the attached memo.

The event facility is intended to be suitable for, among other things:

- a. Large-scale events (e.g., Bier on the Pier, Uncorked, Boat & Yacht Show) that bring in tourists;
- b. Community events hosted by local non-profits which are critical to the vitality of the Anacortes community; and
- c. Weddings and other private events, which have continuing demand and bring in rental revenue and overnight tourists and support local vendors and merchants.

The event facility would be located at the corner of 9th and R Ave, south of the existing dog park, within the Port's planned west basin redevelopment. The facility design would be oriented to take advantage of the distinct attributes of Anacortes, i.e., its waterfront. The size of the facility is projected to accommodate 400 people at 8-person round tables, plus room for amenities such as a dance floor, buffet table, beverage station, gift table, and band/DJ stage. The facility would also include a warming kitchen, green room, restrooms, and storage room. Its adjacency to a (separately proposed) public plaza would allow spillover into outdoor space.

The memo proposes a facility owned by the Port on Port property, with the City funding construction exclusively from lodging tax revenues, and with the City operating the facility via policies and assigning day-to-day management of the facility to the Port. Full details of that arrangement would be worked out over the next few months; the purpose of the currently proposed Agreement is to coordinate the respective roles of

the City and the Port for the initial, conceptual design of the facility and determination of expected costs.

This agreement is expected to yield several deliverables, including:

- consensus on minimum design criteria (size, capacity, orientation, etc.);
- two floor plan alternatives with diagrams, massing models, and cost data;
- site plan, including 15% civil design drawings;
- Rough Order of Magnitude (ROM) costs for construction.

The Port would utilize its contracted architect for this work. The Port and City would equally split the cost of this phase of the project, which is expected to last not more than 10 weeks. The total not-to-exceed obligation the City would incur under the agreement is \$47,500, although it may be less. We anticipate funding the City's portion with lodging tax revenue.

This agreement is ONLY for conceptual design. The Port and City would additionally collaborate to involve the public and stakeholders in review of design concepts and elements. A future interlocal agreement would be required to fund construction, if the Port and City decide to proceed.

Budget Impact:

Up to \$47,500 for this phase, expected to be paid from lodging tax revenues after review by the Lodging Tax Advisory Committee

Previous Action: In 2016, the City adopted its first Tourism Promotion Strategic Plan (Resolution No. 1973), which recognized the need to develop a plan to respond to the future closure of the Port's Transit Shed as an event venue and set a goal of saving 25% of annual lodging tax revenues for future capital expenditures. The Port-City Liaison Committee has reviewed the current proposal at three recent meetings.

Recommended Motion: I move we approve the interlocal agreement as proposed with the Port of Anacortes for conceptual design of an event facility.

Alternative Actions: Decline to enter into the agreement, or propose modifications which would need to be negotiated with the Port.

Attachments (listed in order presented):

1. Event Venue Design Interlocal 2024-03-19_POA Redline
2. 2024-02 Memo on Proposed Event Venue Proposal at Port
3. Port-City Event Venue Proposal - Joint Meeting Rev2

Interlocal Cooperative Agreement between the City of Anacortes and the Port of Anacortes for Conceptual Design of an Event Venue

This Interlocal Cooperation Agreement for Conceptual Design of an Event Venue (the “Agreement”), entered into as of the date of the last authorizing signature below (the “Effective Date”), is between the City of Anacortes, a Washington municipal corporation, (“City”) and the Port of Anacortes, a Washington municipal corporation (“Port”) (collectively the City and the Port are referred to as the “the Parties”) pursuant to Chapter 39.34 RCW, the Interlocal Cooperation Act.

1 Recitals

- 1.1 On June 19, 2008, the Port adopted Resolution 1189, which formally established the Transit Shed as an events center. Prior to this date, the Transit Shed had occasionally been used by non-profits and as a venue for various community events. The Transit Shed has been valued and celebrated as an event space by the Anacortes community.
- 1.2 In 2016, the City adopted its first Tourism Promotion Strategic Plan (Resolution No. 1973), which recognized the need to develop a plan to respond to the future closure of the Port’s Transit Shed as an event venue (Action 14A-2);
- 1.3 In 2018, the Port conducted a real estate feasibility analysis of the possible development of the Marine Uplands as well as a review of the uses of the Transit Shed property entitled *Transit Shed and Cap Sante Marina Redevelopment Strategy* (the “Feasibility Study”), which was funded through the Washington Department of Commerce Community Economic Development Revitalization Board. The Feasibility Study outlined alternative uses for the Transit Shed to maximize the limited property available to support a working waterfront, as well as energize the underutilized upland property at Cap Sante Marina.
- 1.4 Also in 2018, the Parties entered into an agreement entitled Memorandum of Understanding Regarding Development at the Cap Sante Marina Uplands ([COA #18-136-LEG-001](#)) (the “MOU”), which outlines the Parties’ shared and respective goals related to development of the Marina Uplands and repurposing of the Transit Shed to marine industrial uses. This Agreement supersedes the 2018 MOU with respect to the event venue.
- 1.5 In 2021, the Port announced it had formally decided to return the Transit Shed to a maritime industrial use starting January 1, 2024.
- 1.6 The Port and City held several discussions and considered proposals around finding a replacement event venue at a more suitable location.
- 1.7 The City has now proposed an arrangement whereby the City would fund construction of a new event venue (the “Event Facility”), and the Port would construct, maintain, and manage the Event Facility on Port property (the “Project”).
- 1.8 The Parties desire to work together to further develop the Event Facility requirements and basis of design before fully committing via a future interlocal agreement for financing, construction, operation, and management of the Event Facility.

- 1.9 For the purpose of City financing of the resulting Project, the City needs to know the ROM costs before November 1, 2024. It is noted that the ROM is based on conceptual design and Project costs will be further refined as/if design continues.
- 1.10 This Agreement pertains only to conceptual design of the Event Facility. Assuming continuing partnership, the Parties would execute a future interlocal agreement for financing, construction, operation, and management of the Event Facility.
- 1.11 The Parties intend that after the conclusion of this Agreement, the City will fund 100% of the design and construction costs for the Event Facility using Lodging Tax funds, the details of which will be outlined in future agreements provided the Parties move forward with the Project.

2 Purpose

- 2.1 The purpose of this Agreement is to coordinate the respective roles of the City and the Port for the conceptual design of the Event Facility that is suitable for, among other things:
 - (a) Large-scale events (e.g., Bier on the Pier, Uncorked, Boat & Yacht Show) that bring in tourists;
 - (b) Community events hosted by local non-profits which are critical to the vitality of the Anacortes community; and
 - (c) Weddings and other private events, which have continuing demand and bring in rental revenue and overnight tourists and support local vendors and merchants.

3 Building Siting and Design

- 3.1 At the inception of this Agreement, the Parties endeavor to design the Event Facility with consideration of the below items (referred to as "Project Criteria"):
 - (a) Located at the approximate location of development area C on the Port's planned northwest basin development map, as shown on Exhibit A attached to this Agreement. The parties acknowledge that use of this location depends on approval of the Port's pending West Basin Master Plan application, which is not guaranteed.
 - (b) Oriented to take advantage of the distinct attributes of Anacortes (e.g., its waterfront).
 - (c) Centrally located to support our downtown core.
 - (d) Capable of banquet-style seating for 400 people at 8-person round tables plus room for amenities such as dance floor, buffet table, beverage station, gift table, and band/DJ stage.
 - (e) A green room with separate bathroom.
 - (f) A warming kitchen for outside caterers (sink, worktables, refrigeration, and exterior access).
 - (g) Enclosed storage for tables, chairs, portable stage, dance floor.
 - (h) Patron restrooms, including ADA restrooms (approximately 10 stalls).
 - (i) Capacity for overflow/outdoor seating.

- (j) Substantial transparency on the west side fronting the marina and north side fronting the plaza, using operable glass doors to blur the threshold between the interior and exterior space.
- 3.2 The Parties anticipate the design process will yield the following deliverables (the “Conceptual Design Work”), including those further described in the Port memorandum attached as Exhibit B:
- (a) Identify respective Project teams for both Port and City;
 - (b) Consensus on minimum Project design criteria (size, capacity, orientation, etc.);
 - (c) Vetting the Project Criteria with stakeholders (e.g., potential users) through meetings with those stakeholders;
 - (d) Conceptual design of the Event Facility;
 - (e) Rough order of magnitude (ROM) of costs for construction including hard and soft costs;
 - (f) Outline of permitting and design timeline;
 - (g) Outline of future agreements for construction, maintenance and operations of the facility;
 - (h) Outline of responsibilities as it relates to adjacent park area for event “spill-out” and public access.
- 3.3 The Parties anticipate and intend to complete the items identified in Section 3.2 within ten weeks from the Effective Date.
- 3.4 Without compromising the Project Criteria, the City desires to design the Event Facility such that it can be constructed for an approximate cost of \$6 million in 2024 dollars (i.e., not accounting for inflationary costs).

4 Responsibilities of City

- 4.1 The City, through the Port-City Liaison Committee, will provide feedback and input to the Port throughout the preliminary design process.
- 4.2 The City will be responsible for reimbursing the Port pursuant to the Section 7 of this Agreement.

5 Responsibilities of Port

- 5.1 The Port will contract with, or use an existing contract with, consultants (the “Design Team”) to perform the Conceptual Design Work for the Event Facility.
- 5.2 The Port is responsible for providing direction to- and the supervision of the Design Team, including without limitation, overseeing deliverables. The Port will be responsible for all administrative aspects of any contracts with the Design Team, including without limitation, payment for services, which shall be reimbursed 50% by the City.
- 5.3 The Port will coordinate with the City to communicate feedback and input from the City to the Design Team.

- 5.4 Upon request, the Port will provide the City copies of any records or deliverables produced under the scope of this Agreement that the City may be required to produce pursuant to the Public Records Act, including but not limited to consultant contracts, invoices, drafts, work notes, emails, CAD files, and exhibits.

6 Term.

- 6.1 The term of this Agreement is from the Effective Date until December 31, 2024.
- 6.2 The Parties may extend the term of this Agreement by written amendment.

7 Manner of Financing and Payment.

- 7.1 For the scope of this Agreement, the Parties estimate that the Design Team fees and costs will be approximately \$95,000.00. At the conclusion of the work, the City will reimburse the Port for one-half of the actual Design Team fees and costs incurred by the Port to achieve deliverables in Section 3.2, up to a total not-to-exceed of \$47,500.00.
- 7.2 The City must make the reimbursement payment called for in this section within 30 calendar days following the Port's written request for reimbursement. The Port's written request for reimbursement must be accompanied by an invoice from the Design Team showing the fees and costs. The City must notify the Port within 15 calendar days from receipt of the invoice if it has objections or corrections to an invoice. The Port must then resubmit a new invoice without the disputed amount, which the City must pay within 30 calendar days. The Parties must work cooperatively to resolve any disputed amounts.
- 7.3 The Port will finance any of its obligations under this Agreement from the Port's general fund.

8 Administration.

- 8.1 The following individuals are designated as representatives of the respective Parties:
- (a) The City's representative is its mayor.
 - (b) The Port's representative is its executive director.
- 8.2 The above-identified representatives are responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the Party making the change must notify the other Party in writing.
- 8.3 The Parties do not intend to create a separate organization, composition, or any separate legal entity or administrative entity under this Agreement.

9 Notices.

Any notice or invoice under this Agreement must be sent by any of the following methods: postage pre-paid by regular mail, delivered personally, or sent via e-mail. Any notice so posted shall be deemed received two business days after the date of mailing. Notices shall be mailed or delivered to the following persons at the following addresses:

PORT OF ANACORTES

CITY OF ANACORTES

Executive Director
100 Commercial Ave
Anacortes, WA 98221
john.dumas@portofanacortes.com

Mayor
P.O. Box 547
904 6th St
Anacortes, WA 98221
mattm@cityofanacortes.org

10 Treatment of Assets and Property

No fixed assets or personal or real property will be jointly or cooperatively acquired, held, used, or disposed of pursuant to this Agreement.

11 Termination.

This Agreement may not be terminated during its term except by mutual agreement of the Parties.

12 Indemnification.

To the extent allowed by law, each party hereby agrees to save, defend, indemnify and hold harmless the other party and its officers, directors, employees, consultants and agents from and against any and all losses, damages, liabilities, expenses and costs, including reasonable legal expense and attorneys' fees, to which the indemnified party may become subject as a result of any claim, demand, action or other proceeding by any third party to the extent such losses arise directly or indirectly out of activities performed by the indemnifying party pursuant to this Agreement, except to the extent such losses result from the alleged gross negligence or willful misconduct of any indemnified party.

13 Changes, Modifications, Amendments and Waivers:

This Agreement may be changed, modified, amended or waived only by written agreement executed by the parties hereto. Waiver or breach of any term or condition of this Agreement must not be considered a waiver of any prior or subsequent breach, and the failure to exercise a right or remedy upon a breach does not constitute a waiver of any other terms or conditions of this Agreement.

14 Governing Laws.

This Agreement and the rights of the Parties hereto shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any litigation concerning this Agreement shall be in Skagit County Superior Court, unless otherwise agreed to in writing by the Parties.

15 Dispute Resolution.

The Parties shall attempt to resolve all claims, disputes, and other matters in question, arising out of or related to this Agreement, first through informal discussions and then through formal written notification and cure, before resorting to litigation.

16 No Third-Party Beneficiaries.

This Agreement is intended to be enforceable only by the Port and the City. There are no third-party beneficiaries to this Agreement.

17 Authority.

The persons signing below represent and warrant that they have the requisite authority to bind the Party on whose behalf they are signing.

18 Severability.

In the event any term or condition of this Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this end the terms and conditions of this Agreement are declared severable.

19 Recording or Posting.

This Agreement shall be recorded with the Skagit County Auditor or, alternatively, posted by subject on the Parties' respective websites or other electronically retrievable public source.

20 Entire Agreement.

This Agreement contains all the terms and conditions agreed upon by the Parties. All items incorporated herein by reference are attached. No other understandings, oral or otherwise, regarding the subject matter of this Agreement may be deemed to exist or to bind any of the Parties hereto.

IN WITNESS HEREOF, the Port and the City have caused this Agreement to be executed in their names and to be attested by their duly authorized officers as of the below dates.

PORT OF ANACORTES

CITY OF ANACORTES

By: John Dumas

Its: Interim Executive Director

Date: _____

By: Matthew Miller

Its: Mayor

Date: _____

Exhibit A Vicinity Map

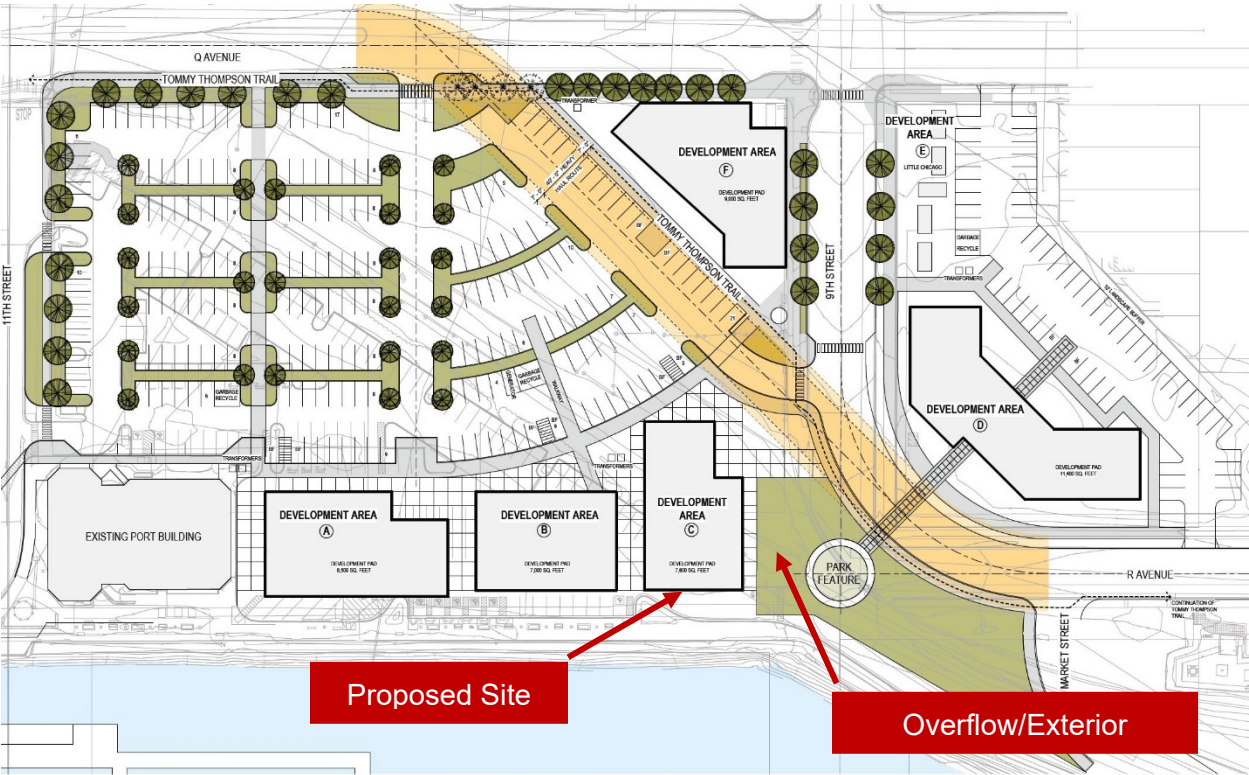


Exhibit B Port Conceptual Design Cost Memo

100 Commercial Ave., Anacortes, WA 98221 | (360) 293-3134 | www.portofanacortes.com



PORT OF ANACORTES MEMORANDUM

Date: February 22, 2024

To: Port City Liaison Committee

From: Brenda Treadwell, Director of Planning, Properties & Environmental

Re: Event Venue Conceptual Design Phase – Consultant Services Scope and Fee

In follow-up to discussions at the February 6, 2024 Port City Liaison meeting, the Port has worked with its existing West Basin design team to develop a scope of work and associated fee to bring the event venue proposed in the February 3, 2024 memo from Councilmembers Walters, Cleland-McGrath and McDougall to a conceptual design level.

The Port's West Basin design team has been collaborating on North and West Basin Upland Redevelopment since 2018. Some members of the design team have been working with the Port for several years prior to 2018.

The existing core design team includes:

RMC Architects: Jeff McClure, AIA, Principal and Bill Hager, Senior Planner
Bellingham WA

Pacific Survey & Engineering: David Galbraith, PE, Principal and Adam Morrow, PLS, Principal
Bellingham, WA

HBB Landscape Architecture: Dean Koontz, ASLA, CPD, Principal
Seattle, WA

The goal of this conceptual design phase, as discussed by the team and outlined in their respective proposals, is to analyze building programming, propose floor plan solutions that integrate provided criteria, generate overall site plans and diagrams for the use of the adjacent park that will support outdoor event "spill out". The concept will bring in precedent images to help define the character of the building and adjacent park area. In addition, civil work required for utility connections and other civil elements of the building and park will be brought to a 15% design level. All of this work will be done with consideration for integrating the proposed event center facility into the Port's existing West Basin Plan. Rough order of magnitude (ROM) costs for selected building concept, adjacent park area, and civil elements will be produced as part of this conceptual phase of work.

This work will be accomplished through a series of meetings with the Port City team: Kick-Off Meeting, Concept Design Review Meeting, Final Concept Design Review Meeting. The design team has asked for 10 weeks from Notice to Proceed to accomplish this work (with the assumption that the aforementioned meetings will be timely scheduled).

The bulk of the work of this phase will be completed by RMC (300+ hours). In addition to developing building concepts, RMC will be serving in a Project Coordinate role by integrating the work of the other disciplines. RMC proposes this conceptual phase be accomplished in series of eight tasks.

Task 1 Project Initiation: Gather precedent images, review building programming based on criteria provided so far, develop conceptual phase project schedule, create site base map to convey extent of project area.

Task 2 Preparation for Kick-Off Meeting: Prepare resources to assist in determining additional programming requirements, prepare diagrams showing similarly sized buildings to convey impact to area, investigate parking requirements and impacts to Port's West Basin Plan, create meeting agenda and list of critical questions to be considered.

Task 3 Kick-Off Meeting: Facilitate meeting with Port City teams, identify major goals of project, discuss program requirements, size, operational considerations, discuss historical costs of precedent projects, review project schedule.

Task 4 Concept Design: Prepare two floorplan alternatives with diagrams, massing models, and cost data.

Task 5 Coordinate with Consultant Team: Discuss concept plans with overall team to inform the work of landscape architects (HBB) and civil engineers (PSE).

Task 6 Concept Review Meeting: Meet with Port City teams to review concept designs to select a preferred alternative for further refinement.

Task 7 Concept Design Refinement: Based on input from Concept Review Meeting refine the selected alternative and develop site plan, floor plan, massing model, ROM project budget, schedule, summary of permitting/entitlements.

Task 8 Final Concept Review Meeting: Meet with Port City teams to discuss concept design refinements, ROM costs, and outline potential next steps.

RMC Fee: \$58,315

HBB Landscape Architecture's work is highly coordinated with RMC. HBB's scope of work follows RMC's eight tasks with just over 100 hours of work anticipated. HBB will provide the following information for each task:

Task 1 Project Initiation: Coordinate with RMC in preparation of site base map regarding adjacent spill-out park space and work with RMC and PSE to determine site work, project goals and programming, and transitions between adjacent phases of work.

Task 2 Preparation for Kick-Off Meeting: Prepare four open space diagrams and precedent images.

Task 3 Kick-Off Meeting: Attend meeting to discuss the primary functional goals of the spill out space, define operational limits, review precedent images.

Task 4 Concept Design: Prepare park configuration diagrams that reflect feedback from kick-off meeting. Refine precedent images, collect historical cost information using comparable projects from HBB archive records.

Task 5 Coordinate with Consultants: Continued coordination with RMC and PSE on site design and infrastructure.

Task 6 Concept Review Meeting: Attend meeting to review park concept design where preferred alternative will be selected.

Task 7 Concept Design Refinement: Refine preferred alternative and provide final concept design along with ROM budget for park elements.

Task 8 Final Concept Review Meeting: Attend meeting to review final concept, address budget questions.

HBB Fee: \$19,870

In addition to Pacific Survey and Engineering (PSE) providing civil engineering services for this phase, PSE is also the project lead on the right of way vacations and associated "land swap" proposals. PSE anticipates it will take 90 hours to accomplish the following:

Task 1 Project Initiation: Establish project limits, support with preparation of base site map.

Task 2 Preparation for Kick-Off Meeting: Provide support to RMC and HBB with meeting prep.

Task 3 Kick-Off Meeting: Attend meeting to gather information for building and park conceptual design and answer any appropriate questions.

Task 4 Concept Design: Provide project limits and other support to RMC and HBB.

Task 5 Coordinate with Consultants: Coordinate civil site plan with RMC site plan. Civil plan to show building footprint, park improvements per HBB and produce 15% design drawings and associated ROM cost estimate.

Task 6 Concept Review Meeting: Attend meeting to present civil elements.

Task 7 Concept Design Refinement: Revise site plan to address comments from previous meeting.

Task 8 Final Concept Review Meeting: Attend meeting and present final concept and civil ROM costs.

PSE Fee: \$15,320

The consulting costs for this critical first phase total **\$93,505**. All contracts will be billed on a time and materials basis. Per the draft ILA, the direct costs for this phase only will be split 50/50 between the Port and City. Port will provide coordination and oversight of the design team.

The 10 week period for this work will commence after the ILA is fully executed. It is worth noting that the project schedule and budget for this phase does not include stakeholder and/or community outreach. If anything formal along those lines is anticipated during this initial phase, and the design team would be expected to prepare for and participate in those meetings, it is expected that costs for this phase will increase and the timeline will be extended.

Memorandum



To: City Council, Mayor, Port Commission, Port & City Staff
From: Councilmember Ryan Walters, Christine Cleland-McGrath, Bruce McDougall
Date: February 3, 2024
Re: Proposed Event Venue at Port of Anacortes

Since 2021, when the Port of Anacortes [announced](#) it had formally decided to return the Transit Shed to a maritime industrial use, our community has anxiously—and sometimes frantically—searched for a replacement venue for community and other events.

We propose an option that we believe will work for both the City and the Port and fulfills the need for event space for the many high-quality events that take place every year in Anacortes—events that benefit our local economy and add to the richness and vitality of life in this community.

Our **objective** and **vision** is to provide a **permanent** event space for large **tourist**-oriented and **community**-based events that can host events long into the future and takes advantage of Anacortes's **distinct characteristics**.

Project Requirements

We understand the community need is for an event venue that is suitable for:

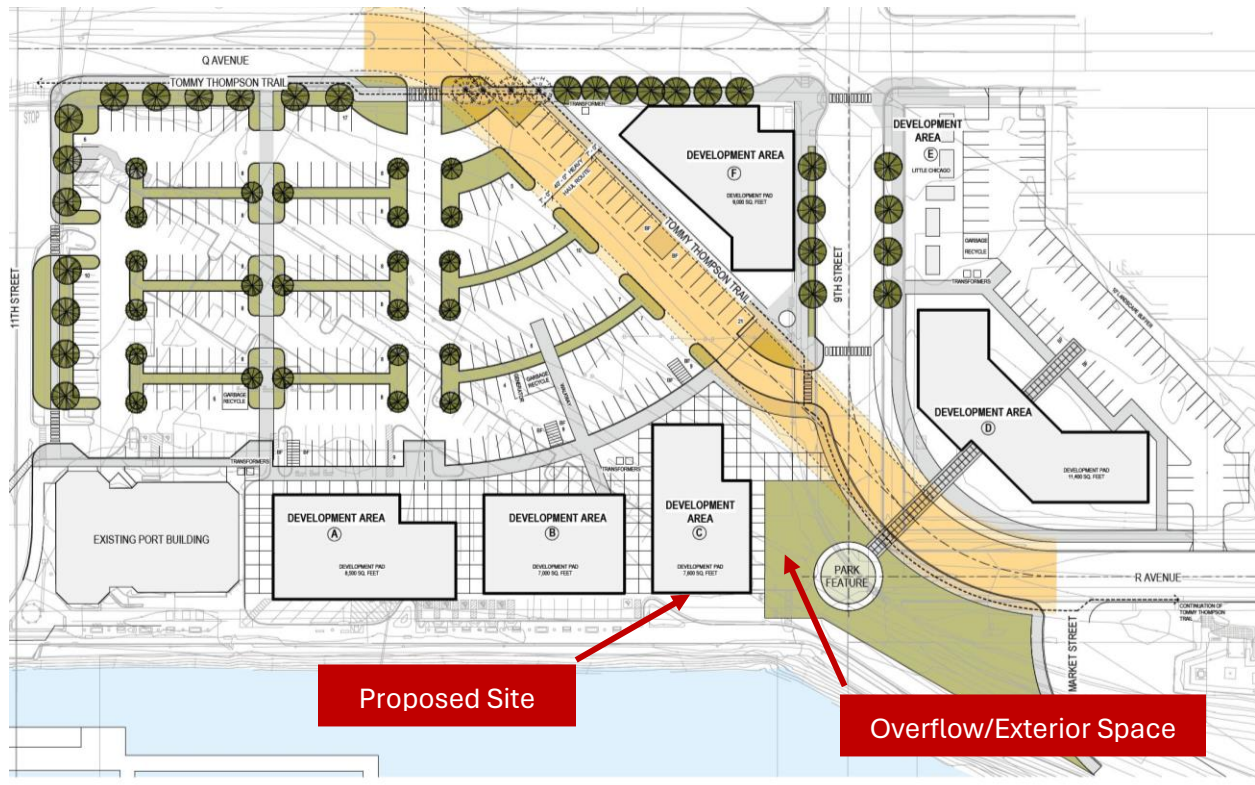
1. large-scale events (e.g., Bier on the Pier, Uncorked, Boat & Yacht Show) that bring in tourists;
2. community events hosted by other local non-profits which are critical to the vitality of our community; and
3. weddings and other private events, which have continuing demand and bring in rental revenue and overnight tourists and support local vendors and merchants.

We think this translates to a facility that meets the following criteria:

1. Oriented to take advantage of the distinct attributes of Anacortes (e.g., its waterfront).
2. Centrally located to support our downtown core.
3. Capable of cabaret seating for 400 people at 8-person round tables. Based on a vendor's space calculator, this translates to 7400 sf of open event space including room for dance floor, buffet table, beverage station, gift table, and band/DJ stage.
4. A green room with separate bathroom.
5. A warming kitchen for outside caterers (sink, worktables, refrigeration, exterior access).
6. Enclosed storage for tables, chairs, portable stage, dance floor.
7. Patron restrooms, including ADA restrooms (approximately 10 stalls).
8. Capacity for overflow/outside seating.

Proposal

The ideal and preferred location for such an event center is one the Port of Anacortes already identified: the corner of 9th Street and R Ave, south of the dog park property, within the Port's planned northwest basin redevelopment. See Development Area C, below.



We envision a building with a marine/industrial aesthetic, potentially similar to the Cannery Building, to attempt to capture some of the rustic charm that embodied the Transit Shed. Concrete floors, exterior fiber-cement shingles, steel clear span beams to form a large interior open space, with substantial transparency on the east and north sides fronting the marina and the plaza using operable glass garage doors to blur the threshold between the interior and exterior space.

The venue could have a simple shed roof, similar to the building at Shilshole Marina in Ballard:



Benefits

The proposal would have numerous benefits to the City, as well as to the Port's northwest basin redevelopment plan and their organization goals more generally:

- We would solve the community's ongoing need for a large event space.
- We would help keep dollars within our downtown and within the city's taxing jurisdiction.
- The location provides substantial parking and is separated from neighboring residential.
- The facility would jumpstart and infuse energy into the Port's redevelopment project and benefit the RV park.
- The facility would relieve any future hotel in the project of the need to provide or operate its own event space.
- The facility would not require any general revenue for its construction.
- The facility would help complete the interaction between the marina and the Depot site.
- The joint Port-City project would respond to the public's demand for increased partnership between the entities.

Funding Mechanism

Construction of the event space could be funded by city lodging tax revenue, while construction of some other elements (e.g., the plaza) could be funded through grant application to the state Recreation and Conservation Office or a request for a legislative appropriation. Use of lodging tax funds is governed by RCW 67.28.1816, which allows the City to support "operations and capital expenditures of tourism-related facilities owned or operated by a municipality..."

We expect cost of the building itself around \$6 million. (The Port's existing estimate for a more complex two-story building at that site was \$5.3 million). The City's lodging tax fund currently has a fund balance of \$1.5 million. Assuming a 4.5% interest rate on a general obligation bond with a 20-year term, the City could obtain \$4.4 million in bond proceeds with an annual payment of \$345,000—well below the City's average annual lodging tax revenue of about \$600,000.

Interlocal Agreement

To accomplish the project, the City and Port would enter into an interlocal agreement with terms similar to the following:

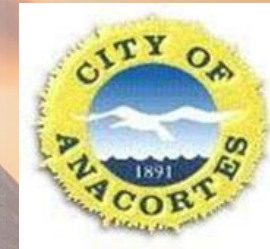
1. The City would provide up to \$6M to finance construction of the event center.
2. The Port would design (consistent with the interlocal), construct, and own the event center.
3. The City would *operate* the events center (consistent with the statutory requirement) consistent with how the Port previously managed the Transit Shed, i.e., in favor of local non-profit community organizations, weddings, and other tourist-oriented events.
4. The City would assign by interlocal agreement day-to-day *management* of the facility to the Port, who would be responsible for all bookings, access control, and the operational and maintenance expenses of the facility, and receive rental revenue.
5. The agreement would continue for at least a fixed term, e.g., 30 years, after which the Port's use of the space for events could terminate (but could also continue).



Port of Anacortes



City of Anacortes



COMMUNITY EVENT FACILITY PROPOSAL

Transit Shed History

- c. 2000—Port allows Transit Shed as event venue
- June 2008—Port formally establishes Transit Shed as an events center
- 2016—City adopts its first Tourism Promotion Strategic Plan recognizing the need to set aside a portion of annual lodging tax revenues and to plan to replace the Transit Shed
- 2018—Port and City sign MOU related to repurpose of Transit Shed
- 2021—Port announces formal decision to return Transit Shed to maritime industrial use on Jan 1, 2024

objective and vision

to provide a **permanent** event space for large **tourist-**oriented and **community**-based events that can host events long into the future and takes advantage of Anacortes's **distinct characteristics**.

Project Requirements

We need an event venue that is suitable for:

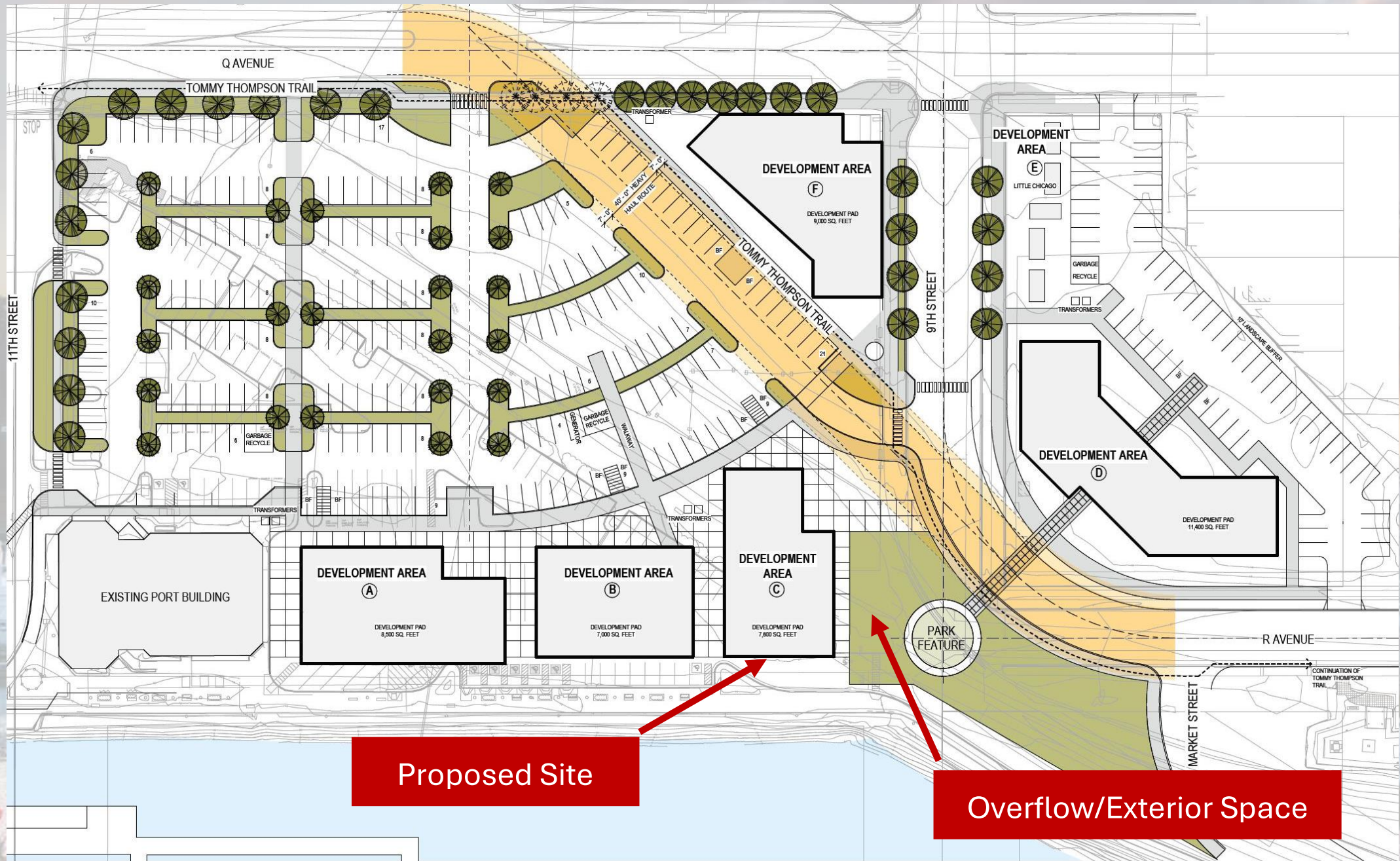
- large-scale events (e.g., Bier on the Pier, Uncorked, Boat & Yacht Show) that bring in tourists;
- community events hosted by other local non-profits which are critical to the vitality of our community; and
- weddings and other private events, which have continuing demand and bring in rental revenue and overnight tourists and support local vendors and merchants.

Project Criteria

- Oriented to take advantage of the distinct attributes of Anacortes (e.g., its waterfront).
- Centrally located to support our downtown core.
- Capable of banquet seating for 400 people at 8-person round tables, plus room for amenities such as buffet tables, beverage station, stage.
- A green room with separate bathroom.
- A warming kitchen for outside caterers (sink, worktables, refrigeration, exterior access).
- Enclosed storage for tables, chairs, portable stage.
- Patron restrooms.
- Capacity for overflow/outside seating.

Proposal

- Port provides land
- City funds construction (from lodging tax revenue)
- City owns/operates event venue through policies articulated in interlocal agreement (the next ILA)
- Port manages construction, and manages day-to-day per ILA with City



Conceptual Design Phase

- proposed at \$95,000
- Port/City to split cost
- Key deliverables:
 - Site plan
 - 2 concepts
 - ROM construction estimate



Timeline

- Conceptual Design (10 weeks) starting after agreement signed
- Future agreement for construction and operations by end of year
- Construction 2025+
- Opening 2026/2027

