

**Final Report from the
Ad Hoc Voluntary Citizens Advisory Committee
for the Potential Purchase of Jensen and Sons Boatyard & Marina**

Port of Friday Harbor

This is the final report of Jensen and Sons Boatyard & Marina Ad Hoc Voluntary Citizens Advisory Committee (CAC). The Port of Friday Harbor Port Commission formed this CAC in the fall of 2017:

The purpose of the Ad Hoc Citizens Advisory Committee (CAC) shall be to investigate and advise the Port of Friday Harbor Board of Commissioners on the environmental and business risks and opportunities, as well as the highest and best use of the Albert Jensen and Sons Boatyard & Marina facility, in the event the facility is acquired by the Port of Friday Harbor. The ad hoc voluntary committee shall be solely advisory in nature and shall not conduct any business on behalf of the Port Commission.

The Citizens Advisory Committee has included Jim Hooper - Chair, Bill Severson – Vice Chair, Jim Slocumb, Chuck Dalldorf, Shannon FitzGerald, Bill Feyerhem, and Bob Brunkow. Committee members were selected by the Port Commission from among applicants in response to a public solicitation for volunteers. Chair and Vice-chair were selected by the Committee at their first meeting.

Also attending Committee meetings were Port Staff, including Todd Nicholson, Executive Director; Tami Hayes, Harbormaster; and Shane Krause, Executive Assistant/Property Management. Meetings were open to the public; guest comments were welcomed.

The Committee has met 8 times between January and April, 2018, from 1 to 2 hours. We have toured the property. We have brainstormed our own vision for what the property could become if it were to be purchased. We have reviewed ecological test results and considered potential mitigation strategies. We have considered historical uses of the property. We have considered various industry predictions on the future of the maritime industry, and we have reviewed and provided input to the Draft Master Plan for the property.

A. Recommendation:

The Citizens Advisory Committee recommends that the Port of Friday Harbor purchase the Jensen Boatyard & Marina property and adopt and implement the associated Master Plan. The CAC believes that this purchase is in the public's best interest and that the expected benefits justify the costs; risks associated with this purchase are manageable.

B. Mission

The Committee developed the following as a mission statement for the property, were it to be purchased:

Maximize diversified marine services and employment with compatible public access focused on responsible environmental, economically sustainable stewardship.

The Committee believes that achieving the above “Mission” will be assured by maintaining a working boat yard work environment. There is only one other working boatyard on the island that has water access and it is at Roche Harbor; it does not have the ability to lift larger craft. The Marina helps achieve this Mission through environmentally appropriate overwater marine repair and through unique-within-the-County covered moorage.

Jensen’s Boatyard and Marina is adjacent to Shipyard Cove, which has a boat ramp that is used for the flow of essential products (e.g.: gasoline, propane, oxygen). Any improvement of the property and Marina must protect that access and, if possible, contribute to improving the turning basin at the boat ramp.

The following is a list of the discussion topics leading to the mission statement:

- a) Working Board Yard
- b) Overwater marine repairs
- c) Affordable public access for smaller boats and dry storage
- d) Undeveloped area – expand or add marine services
- e) Or public access for other shore uses
- f) Creating new opportunities for crafts – Port Townsend model
- g) Tie in with education and research, perhaps with FH Labs
- h) Specialty fabrication for research or other marine related projects
- i) Being a good neighbor
- j) Maximize family wage jobs versus other using like catering
- k) Stack storage will create maintenance opportunities
- l) Parking possible across road
- m) Seaplane services

C. Build-out Strategies

The Committee discussed the Property considering its three areas. Planning Area A is the current Boatyard including the travel lift. Planning Area B is the undeveloped part of the Property adjacent to and to the east of the boatyard. Planning Area C is the Marina. These areas are identified in the Draft Master Plan.

- a. Existing Boat Yard – Planning Area A. Contract with a full-service operator to lease the existing boatyard facilities and equipment, expanding the services, economic activity and jobs associated with current operations. The operator should be able to

accommodate most owners' needs for access and self-performed tasks while the boat is in the yard. This lease is to provide positive cash flow to help in funding Planning Areas B & C. Grant funding is to be sought for the following improvements.

- i. The existing wash water catchment system and evaporating pond will need to be replaced for environmental compliance.
 - ii. The gravel areas should be eventually capped with pavement or concrete.
 - iii. New buildings to house boat repairs such as sanding and above deck spray painting will need to be constructed for environmental compliance.
- b. Upland Site – Planning Area B. The undeveloped upland area of approximately 2 acres should be used for future economic, education and public access. Funding from grants and positive cash flow from Boat Yard are to be used for future projects such as:
- i. Haul out ramp for public access and commercial use.
 - ii. Parking area
 - iii. Seaplane servicing and fueling
 - iv. Additional diversified forms of marine related activities and services.
- c. Marina – Planning Area C. Begin long-range projects to upgrade the existing 50-slip marina using in-house labor and funding from grants and positive cash flow from Boat Yard. Improvements may include:
- i. Replace wood floats
 - ii. Covered moorage slips to be maintained, rebuilt and reconfigured.
 - iii. Infrastructure improvements to the electrical, water and fire suppression systems.
 - iv. Increase marina capacity while assuring that existing access to commercial ramp is maintained.

D. Alternatives

Practically, the Port Commission could either purchase the Property (Alternative 1) or not purchase the Property (Alternative 2). In either case, there are potential benefits, costs, and risks.

1. **Acquire.** If the Port were to acquire the Property and engage a boat yard operator, the CAC sees a host of positive outcomes, with relatively low risk.
 - a. Positive Outcomes
 - i. Continued access to boat haul out capacity and marine repair facility for recreational vessels up to approximately 50 feet long.
 - ii. Continued employment and retention of skilled marine craftspeople on SJI.
 - iii. The opportunity to diversify marine services including sales, storage, instruction, and self-repair options for boaters.

- iv. A location for marine services away from the high value space directly in front of town, but close enough for easy access, maintaining the development of significant waterfront space in the public domain.
 - v. Removing or remediating significant contamination.
- b. Costs and Risks
- i. The costs of remediation are likely to be substantial. The CAC and Port staff have identified sources of funding for that work which have a high likelihood of covering all or most of the costs, while also supporting site improvements.
 - ii. Structures at the Marina are wood and are old. As with any wooden marina, there is a possibility of fire. If the Property is acquired, the Port should continue Jensen's Marina fire prevention program and should secure appropriate insurance.
 - iii. As with any business, the future of the marine industry is a function of the demand of those services, and we don't know whether that demand will grow, remain stable, or contract. There is some anecdotal evidence to suggest that the current growth in the recreational marine industry is being driven by "baby boomers", adults born between 1946 and 1964. Whether younger generations will be drawn to water activities to the same extent is unknown. In any event, the Port's investing in Jensen's would secure future options and would ensure public access to that waterfront.
- c. **Not Acquire.** A decision to not acquire the facility places the future of the facility clearly in the hands of the Ahrenius family and therefore out of public impact. Given the costs of remediation, the Committee believes that it is unlikely that a private marine service operator would choose to purchase the facility and continue the boat yard and marina services. This would mean:
- i. The loss of boat haul out, storage and service options on SJI
 - ii. Further deterioration of the current slips and docking facility, becoming a hazard.
 - iii. Loss of significant covered moorage, particularly critical for classic wooden vessels
 - iv. Without access to public funds for remediation of contaminants, it is likely that the existing level of contaminants will not be addressed.

E. Citizens Advisory Committee Feedback on Master Plan

Port Staff has developed a Draft Master Plan for the Jensen's Boatyard and Marina, if it were to be purchased. The Committee has reviewed that Plan and provides this additional feedback:

- a. The master plan has been developed consistent with the Citizen's Advisory Commission's goals.
- b. The master plan is structured to ensure the Port's proposed purchase of the historic Jensen's Boatyard is economically feasible, sustainable and does not become a financial liability to the Port and the taxpayers of San Juan County.
- c. The master plan is strategically created and positioned to pursue a wide variety of federal and state grants, as well as other funding opportunities to achieve the economic sustainability of this proposed purchase.
- d. The master plan maximizes potential economic opportunities with a focus that the proposed activities do not impact existing life-line marine services - specifically barge services in their deliveries of fuels, oils and gases.
- e. The proposed retention of covered boat slips is a very desirable asset for a marina operator and for the boating community for year-round activities as they are in short supply in the San Juan Islands, putting us at a competitive disadvantage to other marinas in Washington State and British Columbia.
- f. Creation of a proposed seaplane maintenance and refueling area is a desirable new economic activity as long as it can be developed to avoid both on-water and dock conflicts.
- g. Proposed recreational and public uses are important as long as they do not conflict with primary economic activities creating on water, dock or boatyard safety concerns. Consideration regarding public uses must be consistent with the goal of maintaining good neighbor policies to protect land-based neighbors, water-based neighbors, and the proposed commercial boat yard and marina operations.