

**FRIDAY HARBOR PORT DISTRICT**

Port Commission Meeting at  
271 Front Street  
May 9, 2018

**Minutes**

**Port Commissioners Present:** Greg Hertel  
Graham Black  
Barbara Marrett

**Port Staff Present:** Todd Nicholson, Executive Director  
Phyllis Johnson, Auditor  
Tami Hayes, Harbormaster  
Shane Krause, Executive Assistant

**Public Present:** Justin Heikkinen  
Phil Beers

Commissioner Hertel brought the meeting to order at 4:00 pm.

**1. Citizen comments/requests:** None

**2. Action items:**

**A. Approve Lease with J&R Upholstery at Jensen & Sons Shipyard**

The Executive Director presented a proposed lease for J&R Upholstery, explaining that they desire a month to month lease to continue use of their existing space in the back of the Shipyard office. He added that the lease for Mico Holdings LLC contains a first right of refusal on the space in the event J&R Upholstery vacates.

Commissioner Black moved to approve the Executive Director signing the lease with J&R Upholstery. Commissioner Marrett seconded, and the motion passed unanimously.

**B. Approve Lease and Boatyard Operator Agreement with Mico Holdings LLC**

The Executive Director presented the working draft of a proposed Lease and Boatyard Operator Agreement for Mico Holdings LLC as the Operator of the Jensen & Sons Shipyard, noting that some details remain to be finalized. He proposed either the Commission delegate authority to execute the lease in substantially the current form, or to hold a special meeting in a week. Commissioners Hertel and Black noted a desire to review the draft lease further. Staff will schedule a special meeting for 4pm on May 16<sup>th</sup> to revisit this topic. The Commissioners and Executive Director discussed additional details of the draft lease and purchase and sale agreement as they pertain to the property.

**C. Approve new San Juan Excursions lease for Spring Street Landing**

The Executive Assistant presented a proposed lease for San Juan Excursions to continue use of Suite 101 in the Spring Street Landing building. He noted the new lease is for 2 years with 4 renewals of 2 years each, aligns the rate with the recent fair market rate appraisal, and replaces the built in sign restrictions of the previous lease by referencing a future general Port Policy on signage and displays. Commissioner Marrett noted issues with excessive signage in the past. Staff explained that the external policy will enable the Commission to adjust restrictions as needed.

Commissioner Marrett moved to approve the new lease with San Juan Excursions for suite 101 of the Spring Street Landing building. Commissioner Black seconded, and the motion passed unanimously.

**D. Approve Third Amendment to San Juan Safaris LLC lease**

The Executive Assistant presented the draft of a proposed third amendment to the lease for suites 102 & 103 in the Spring Street Landing building, noting that the Lessee has not yet signed on the amendment. He shared details of the amendment, which aligns the rate with the recent fair market rate appraisal, and replaces the built in sign restrictions of the previous lease by referencing a future general Port Policy on signage and displays. The Executive Director noted the amount of staff time spent in negotiations with the Lessee, and that the Lessee has been informed that this is the final offer. Commissioner Black noted that the Commission can approve the draft amendment as it stands, and the Lessee can choose to accept it or not.

Commissioner Black moved to approve the Third Amendment to the San Juan Safaris LLC lease for suites 102 & 103 in the Spring Street Landing building. Commissioner Marrett seconded, and the motion passed unanimously.

**E. Approve Executive Director's signature on contract for G&H Dock Renovation Project**

The Executive Director shared details of the bid opening for renovation of G & H docks, noting 3 bids received. The apparent low bidder was Massana Inc. at \$969,200.02, followed by Razz Construction at \$995,863.90, and Neptune Marine at \$1,221,308.84. Shortly after declaring Massana Inc. as the low bidder Staff received a letter of protest from Razz Construction stating that pursuant to the bid request, the bid from Massana Inc. must be declared non-responsive due to not listing licensed subcontractors for HVAC and plumbing. The Executive Director noted that there is no HVAC on this project, and the plumbing is not subject to requiring a licensed subcontractor as it is not residential. He responded to Razz Construction denying their request, and then received contact from their Attorney on the matter. He engaged the Port's Attorney to draft a response letter to Razz Construction, and noted to the Commissioners that there is a 48 hour waiting period after the response is sent before the Commission can approve the contract with Massana Inc. He noted that the contract is below the Engineers estimate as well as the Port's budgeted amount, and that the Port's Engineer has had good success with Massana Inc. He also stated that he would rather re-bid the project if it becomes necessary. The Port Auditor shared that Massana Inc. has worked on projects at the Port of Olympia and the Port of Kalama.

### **3. Discussion Items**

#### **A. Airport Master Plan**

The Executive Director updated the Commission on recent development work on the Airport Master Plan. He shared details of multiple possible paths in regards to the airport classification and development for discussion with the Commissioners.

#### **B. Expanded outdoor seating at Spring Street Landing**

The Executive Assistant introduced Justin Heikkinen and Phil Beers as the newest tenants in the Spring Street Landing building, and opened the discussion explaining that both Downriggers and the new tenants would like to add new outdoor seating to their leases. The Commissioners discussed the history of the building in as they relate to outdoor seating, and the Commissioners and Staff discussed pros and cons of the proposed new outdoor seating. Staff will proceed with contacting the town

### **4. Regular Business**

**A.** Minutes for the April 25, 2018 Regular Meeting approved with 2-0 vote.

**B.** Vouchers #017417-017453 for \$111,423.03 and payroll approved with 2-0 vote.

**C.** Administrative Items:

- i.** The Executive Director noted that a special meeting will be scheduled for May 16<sup>th</sup> for to approve the construction contract for renovation for G & H docks, and to approve the lease for the operator of Jensen's Boatyard.
- ii.** The Executive Director shared that the Port Attorney's office is going to host a closing celebration for the purchase of the Jensen & Sons Boatyard and Marina. Staff will post a special meeting notice so that the Commissioners may attend.

### **5. Staff Reports**

**A.** The Harbormaster shared that Allan Messick resigned and is moving to Portland to be closer to family. A new Staff member, Shane Moore, has been hired to fill the vacancy.

**B.** The Harbormaster shared details of IOSA training that was held in the marina on April 14<sup>th</sup>.

**C.** The Harbormaster shared details of American Cruise Lines' activities at the marina, which include their new ship the American Constellation.

**D.** The Harbormaster noted the 350' Silver Explorer will be anchoring between the marina and Friday Harbor Labs on May 12<sup>th</sup> and 14<sup>th</sup>.

- E.** The Harbormaster noted a complaint call about the American Spirit running their generator on the marina breakwater, and that ship is no longer going to overnight on the breakwater.
- F.** The Harbormaster and Assistant Harbormaster attended the PCC conference in Coos Bay, noting a larger number of younger attendees present.
- G.** The Harbormaster shared details of opening day of boating season and the boating safety fair, with around 20 safety checks and a vessel simulator that many people tried out.
- H.** The Harbormaster shared details of KISM's visit to the marina, broadcasting their show from the Port's meeting room, noting that they enjoyed their stay and would like to return for any events the Port hosts.
- I.** The Harbormaster shared details of multiple groups visiting the marina over the next weekend and following weekend.
- J.** The Harbormaster shared details of two small sailboats that are impounded and will be sold at auction.
- K.** The Harbormaster gave kudos to Randy Everitt, Port Security Staff, who with the assistance of a live-aboard marine mechanic saved a boat with a failed sea valve from sinking.
- L.** The Port Auditor noted that she has begun setting up Jensen's in her financial statements.
- M.** The Port Auditor shared that she has filed the Port's annual report, the first time it's ever been filed before May.
- N.** The Executive Assistant shared that Staff expect another K hangar lease transfer to be requested in connection with a sale. The Staff and Commissioners discussed the transfer fee.
- O.** The Executive Assistant noted that the sale and associated transfer of hangars K-7 and K-7A is complete.
- P.** The Executive Assistant shared details of two small grants that have been awarded to the Port, one for marketing with the Port of Seattle and the other for software for use in generating public records documents from the Washington State Archives.
- Q.** The Executive Director noted a grant for \$80,000 with zero match required from the Department of Ecology to finalize sediment testing at Jensen's.
- R.** The Executive Director shared details of the Integrated Planning Grant for Jensen's, noting that 4 applicants for other projects have fallen out which improves potential for the Port receiving funding.

- S. The Executive Director shared an application for a PFFAP grant for the undeveloped portion of Jensen's with the Commissioners and noted that Staff will put it on the agenda for discussion at the next meeting.
- T. The Executive Director updated the Commissioners on discussion with the County on maintenance of the Jackson Beach road including an approach for restricting hours of access. The Executive Director and Commissioners discussed timeline and remediation of current issues in the interim.
- U. The Executive Director noted that the Airport Manager has been out of the office due to an injury outside of work, and interviews for the Assistant Airport Manager are on hold until his return.

**6. Port Commissioner and Committee Reports:**

- A. Commissioner Black asked about the status of the roof on the old airport terminal, currently being leased as a restaurant by Ernie's. Staff noted that it will be sealed in warm weather and that any further work is dependent on the master plan currently in development.
- B. Commissioner Black noted receiving complaints from neighbors about the restroom light at Jackson Beach. The Executive Director stated that Staff are aware and will be resolving the issue soon.
- C. Commissioner Marrett shared details of a visit to the Port of South Whidbey.
- D. Commissioner Hertel noted that he will be unavailable for a couple weeks following August 9<sup>th</sup>.

**7. Citizen comments/requests: none**

Commissioner Hertel adjourned the Regular meeting at 5:29 pm.

  
Barbara Marrett, Commissioner

  
Greg Hertel, Commissioner

  
Graham Black, Commissioner