

FRIDAY HARBOR PORT DISTRICT
Port Commission Meeting at
271 Front Street
(Port meeting room, under San Juan Yacht Club)
Wednesday, August 14, 2019 at 4pm
Meeting Agenda

1. Citizen comments/requests: Citizens can make a brief comment or may ask the Commission to schedule a topic for further discussion at a future meeting.

2. Discussion Items:

- a. Present a Purchase and Sales Agreement for Shipyard Cove and discuss feasibility period actions.

3. Action Items:

A. Approve Imprest Working Fund Resolution:

- a. Authorize the Executive Director through Resolution #19-003 to establish a working fund that shall not exceed \$19,600 for petty cash purchases or change funds. This Resolution will replace resolution #10-008 which established the amount at \$25,000.

B. Approve Temporary Construction Amendment:

- a. The Commission may consider whether to grant or deny the Executive Director the Authority to execute an amendment to the Purchase and Sale Agreement with Friday Harbor House (FHH) Investments, LLC.

On 8/29 I recommend the Port remove all contingencies except for finding a solution to access. Confirming access shall remain a condition to closing and the only contingency to remain.

The Port of Friday Harbor will grant FHH the option to extend the access contingency for three (3) additional thirty (30) day periods starting on 8/29, upon FHH delivering to seller written notice prior to the expiration of any extension option period.

In exchange for the Port granting extension options, FHH will deposit an additional \$10,000 earnest money that shall become non-refundable but applicable to the purchase price.

The Port may approve a temporary construction easement over the area of the Port parking lot FHH originally depicted for the easement. The temporary construction easement could begin a year from now or 10 years from now. Once construction commences, FHH will provide notice that they are executing the right to begin their 24-month construction easement. Language will be included to state that the temporary easement terminates if the Port constructs anything on the parcel that makes the easement infeasible.

The Port may or may not wish to include timing or activity restrictions during July and August to mitigate parking lot impacts during the busiest season.

Pros: Without this amendment the parcel sale and its economic benefits will be unlikely to proceed. The impact of the amendment is relatively short in duration and preserves the Commission's original intent for the parcel development.

Cons: The temporary construction easements will have intermittent but noticeable impacts on our staff parking area and overall parking lot traffic during its 24-month period. From a constructability viewpoint, it is difficult to envision a development by the Port or any third party that would not require this type of construction access.

C. Approve Islander's Bank Revenue Bond

- a. Islander's bank would like to continue being a community partner with the Port. When they were contacted regarding a Revenue Bond in the amount of \$4,500,000 for the Purchase of Shipyard Cove, they returned with an interest rate of 3% for 25 years. The rate will result in debt service of \$258,000 annually.

Recommended Action: Motion to approve Executive Director and the Port Auditor to pursue obtaining a revenue bond with Islanders Bank for the Purchase of Shipyard Cove.

4. Regular Business:

- A. Approve Minutes from July 9, 24, 31, 2019. (Note: Minutes are kept at the Port Office and on the Port's website: portfridayharbor.org)
- B. Approve vouchers and payroll.

5. Staff Reports:

6. Port Commissioner and Committee Reports:

7. **Citizen comments/requests:** Citizens can make a brief comment or may ask the Commission to schedule a topic for further discussion at a future meeting.

8. Field Trip to Airport Pilot Center.

Commissioner's will have the opportunity to view the selected Kiosk locations prior to installing the power pedestals.

9. Adjourn