

## Friday Harbor Port District

Port Commission Meeting

San Juan Island Yacht Club

Friday February 23, 2024 at 10:00 AM

Regular Meeting Minutes

*Members of the public unable to attend the meeting may email comments for presentation to the Commission during the public comment period. Please email to [ToddN@PortFH.org](mailto:ToddN@PortFH.org) with the subject line "Public Comment". Comments must be received 24 hours prior to the meeting.*

**Commissioners Present:** Rich Goodhart  
Graham Black  
Barbara Marrett

**Port Staff Present:** Todd Nicholson, Executive Director  
Phyllis Johnson, Port Auditor  
Tami Hayes, Harbormaster  
Amanda O'Brien, Executive Assistant  
Mike Roling, IT Administrator

**Public Present:** Nigel Oswald, San Juan Island Sailing Foundation  
Peter Risser, San Juan Island Sailing Foundation  
Susan Risser, San Juan Island Sailing Foundation  
Elaina Thompson, Island Oil Spill Association  
Chip Kochel, Customer  
Richard Grout  
Jill Belcovson, League of Women Voters

**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.

Nigel Oswald, Peter Risser, and Susan Risser spoke on behalf of the *San Juan Island Sailing Foundation*. They described the structure and programs of the Sailing Foundation and pointed out how their mission dovetails with the Port's mission. They also shared with the commission the funding challenges and the fragile nature of the all-volunteer organization.

The commission was incredibly supportive of the Sailing Foundation, their mission, and their continued use of Jackson Beach while they also acknowledged the need to ensure the Port is protected from liability.

Director Nicholson will work with the *San Juan Island Sailing Foundation* on some insurance questions and schedule a discussion at a future meeting.

Ricard Grout commented on the importance of posting land proposals to allow for public notice and comment. He also shared that he is opposed to any form of lodging on airport lands.

The Commissioners commented that amending the Lease Policy to add more land proposal notice and public comment period time is an action item on the agenda later in this meeting.

**Consent Agenda:**

- A. Approval of Minutes: February 9, 2024 Meeting Minutes
- B. Approval of Payroll & Vouchers #04538-04574 in the amount of \$84,786.62

Commissioner Goodhart moved to approve the Minutes; Commissioner Black seconded. Approved unanimously with edits from Commissioners Black and Marrett.

Commissioner Goodhart moved to approve the Payroll & Vouchers; Commissioner Black seconded. Approved unanimously.

**Action Items:**

- A. Goodremont Proposal with Site Plan

Commissioner Black moved to approve the Goodremont Concept Proposal; Commissioner Marrett seconded.

Discussion:

Commissioner Marrett stated that she did not see lodging at airport lands as the best use of Port properties.

Commissioner Black stated that he sees the Goodremont proposal with seasonal lodging as a win for the Port, community, and Mr. Goodremont's business. It is a tangible step the Port could take to help address a business and community need with no downside. He supports the proposal with and without the lodging element.

Commissioner Goodhart stated he would not vote for any proposal that included a lodging element on airport lands but would discuss the proposal without the lodging element.

Mr. Goodremont stated that he would like to pursue the proposal without the lodging element.

Commissioner Marrett stated that she did not see a lot of buffer space around the proposed development and asked if Mr. Goodremont had considered the Spring Street parcels as a project location.

After additional discussion, the Commission elected to table the motion and have the Concept Proposal posted for public comment. This motion will be revisited at our next meeting.

**B. Resolution 24-002 – Lease Policy Update**

This policy update creates an initial presentation date for Concept Proposals, followed by a public posting and comment period, and a vote on the proposals at a second meeting following the public comment period.

Commissioner Black moved to approve Resolution 24-002 amending the Lease Policy, Commissioner Marrett seconded. The motion was approved unanimously.

**C. Authorize Executive Director to sign a Purchase Order from the County for the Barge Landing Road Engineering Using Commerce Grant and Port Funds, Estimated at \$75,000.**

Executive Director Nicholson shared that under an existing interlocal agreement the Port and County provide services to each other at cost plus 10%, and that by using the County for engineering services, the Port saves significant funds.

Commissioner Black moved to approve the Director’s execution of the Purchase Order; Commissioner Marrett seconded. The motion was approved unanimously.

**D. Authorize Executive Director to sign Purchase order with the County to supply a Waldron Island Replacement Float, Estimated at \$45,000.**

Commissioner Black moved to approve the Director’s execution of the Purchase Order; Commissioner Marrett seconded.

**Discussion:**

The Commission inquired about protections against inflation or unknowns associated with the Purchase Orders. The Director shared that these purchase orders are based on estimated costs but are billed at actual cost plus 10% under the Interlocal Agreement.

Commissioner Goodhart stated that he would prefer that the Port manufacture but not install the County Floats. The Director reported that the Port limits its services to manufacturing and that installation is done by other entities be it the County, their contractor, or someone contracted by the Port for County reimbursement.

The motion was approved unanimously.

**Discussion Items:**

**A. Port of Port Angeles Interlocal**

The Director shared that the Port of Port Angeles Interlocal would be on the new format designed by our attorneys to limit our risk and liability. The initial Purchase Order would

be for six floats to replace the Port Angeles load float at their boat launch. This interlocal agreement would save the Port of Port Angeles time and money, as well as create good capital project funds for POFH. The purchase Order is based on our labor and materials cost plus 25% profit.

Director Nicholson will bring the agreement, drawings, and costs to the next meeting for an action item.

## **B. IOSA Rent**

Director Nicholson detailed the different rent options that would be typical based on the land and building values which included our standard 8% rate of return. He further described different rent amounts that would result from excluding grant funded portions of the project, applying historical *IOSA* rent for the land, and using rates of return lower than 8%.

Elaina Johnson, Executive Director of *IOSA*, shared information on *IOSA*'s stable funding, its value to the community, and operations details.

There was a general discussion of grant assurances, historic and "fair value" rental rates, and how best to calculate a "fair value" rate for *IOSA* given their importance to the Port and community.

The Director will calculate a rate based upon \$700/Mo for the underlying land and a 3.25% rate of return on the Port funds added beyond the received grant funds. This rental rate will be considered by the Commission at our next meeting.

## **Port Commissioner and Committee Reports:**

Commissioner Goodhart shared information on a Dakota Creek Industries apprenticeship program scholarship for boating maintenance.

## **New Business: Commissioners May Share Information or Introduce Topics for Discussion at a Future Meeting.**

Commissioner Marrett would like to have a future meeting on the topic of whether the Port should consider the purchase of Pelindaba Lavender Farm. Commissioner Marrett shared that Pelindaba is for sale and that it is an important sustainable tourism, jobs, and business entity on the Island. She described similar agricultural purchases and leases done by other Ports and thought this may be an opportunity to diversify the Port's business. There is also the potential to lower the Port's financial burden by listing the residence and potentially getting Land Back support.

Commissioner Black stressed his concern that this could potentially be a poor investment by the Port and would be unlikely to create the desired 8% rate of return on investment.

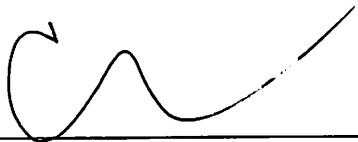
Director Nicholson expressed that discussions were in the preliminary stages and there is much more to dive into as far as the business portion of *Pelindaba* goes and the legal considerations involved in a possible purchase and/or lease arrangement needed for meaningful discussion.

The Commission felt it would be worth the limited effort it would entail by the Director to gather additional business and legal information for use in a follow-up commission discussion.

**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.

Citizen Richard Grout apologized to Commissioner Black for coming on strong in the land lease discussion and shared that he is just passionate about the open Public Meeting Act and the public's right to know based on his work background.

**Adjourn: 1:25 PM**



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Graham Black, Commissioner



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Barbara Marrett, Commissioner



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Rich Goodhart, Commissioner