

Friday Harbor Port District

Port Commission Meeting

San Juan Island Yacht Club

Friday March 22, 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 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
Mike Roling, IT Administrator
Garrett Smith, Boatyard Lead

Public Present: Sally Hawkins, Citizen
Jay Hurlbart, Citizen
Randy Everitt, Citizen
Erika Christensen, Essential Shipyard Industries (ESI)
Jill Belcovson, League of Women Voters
Erin Graham, A1 Marine
Don Eaton, Citizen
Greg Hertel, Friday Harbor Cruises
Dean Hedges, Citizen
Terry Lush, Citizen
Jason Knott, Essential Shipyard Industries (ESI)
Emily Knott, Essential Shipyard Industries (ESI)
Greg Stein, Citizen (Via Zoom)

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 Don Eaton expressed his concern with the Port of Friday Harbor constructing docks for the Port of Port Townsend when the ongoing dock replacement project at Jensen's Marina has not yet been completed. Mr. Eaton stated his concern for the Port of Friday Harbor's priorities and requested that Port staff make Jensen's Boat Shed replacement

project a top priority to ensure completion before winter of 2024.

Citizen Sally Hawkins, who has been a Jensen's liveaboard since 2016, came to express her support for Jason Knott, owner of ESI and noted a variety of times he or his business has assisted her on numerous occasions.

Erika Christensen on behalf of *Essential Shipyard Industries* came to state her support of ESI taking over the Jensen's Travel Lift and yard operations.

Citizen Dean Hedges stated he feels as though it is time for the Port of Friday Harbor to relinquish control of Jensen's boatyard to ESI and take the role of property managers only.

Citizen Terry Lush came to lend his support for ESI.

Citizen Greg Stein shared his experiences with buying the property adjacent to Jensen's Shipyard in 2021. He discussed the complexities of the zoning analysis he had conducted, as well as his concern about the Jensen's and Shipyard Cove Masterplan's potential zoning violations of the Shoreline Act and local zoning codes.

Consent Agenda:

A. Approval of Payroll & Vouchers #04618-04649 in the amount of \$90,639.92

Commissioner Marrett moved to approve the Payroll & Vouchers; Commissioner Black seconded. The motion was approved unanimously.

Presentation: Essential Shipyard Industries (ESI)

Jason Knott on behalf of *Essential Shipyard Industries* expressed the need for a long-term lease with the Port, stability, expansion, and prompt notification of any changes being made at the Port that may impact ESI's business or operations. Mr. Knott stated ESI is eager to negotiate a long-term lease with the Port.

Discussion Items:

A. Jensen's Boatyard

- Port Vs. Private Operations and Consideration

Executive Director Nicholson provided the Commission with an analysis of yard operations and wait times since the Port's purchase of Jensen's Boatyard. Mr. Nicholson stated that at an operational level, the Port's level of emergency support and ability to haul requested boats is significantly greater than the regional average. He stressed the importance of ensuring the continuation of necessary environmental clean-up and providing infrastructure for the new travel-lift pier. He pointed out how the current land lease policy describes long term lease decisions and suggested that the level of private versus public investment be considered when

considering any lease. Director Nicholson also addressed the need to replace aging facilities and described the challenges of acquiring grant funding for the boatyard infrastructure. Director Nicholson suggested that the Commission first consider whether the operations model of the boatyard should be changed and in what timeframe. Depending on the chosen model and timeframe, follow-up lease discussions may be warranted.

Jason Knott with ESI wanted the commission to be aware that ESI recognizes the need for and is interested in purchasing and/or investing in a new travel-lift and providing improvements to the existing building if the Port will take full responsibility of the land including septic and water.

Citizen Greg Hertel discussed the challenges faced in managing boat lifts and proposed solutions such as increased flexibility in working hours, private ownership for managing the yard, and investing in new equipment. He also addressed concerns about the impact of the recent ownership change, the need for better communication with other contractors, and improvements to emergency response procedures. Furthermore, he highlighted the ongoing issues of space in the yard, the need for policy changes, and the impact of a lack of space on profitability.

Mr. Knott emphasized the importance of good relationships with other contractors, the need for accurate information provided to customers, and stressed ESI's commitment to continuously improving its operations.

Jensen's Boatyard Lead, Garrett Smith, detailed the Port's business operations at Jensen's including emergency calls, hours of operations, progress, and adjustments that have been made since the purchase by the Port. He discussed storage of boats in the yard and challenges with available space and steps he is taking to address this issue.

Mr. Knott stated the largest issue for ESI currently is the lack of available space in the yard to work on or haul boats, explaining that profits have been lost due to this matter. Mr. Knott gave an ultimatum of 30 days stating that ESI would move their business to Anacortes if a long-term lease agreement could not be reached with the commission.

No decisions were made at this time. The Commission chose to add the question of what boatyard operations model is desired, and on what timeframe, to the next Commission meeting agenda.

B. Port Administration Building Design

Executive Director Nicholson discussed the site selection and design of the new administrative building, focusing on factors such as terrain, parking, maintenance, and aesthetics. He also explored the benefits and drawbacks of different siding materials, including hardy plank, cedar shingles, and board and batten types, and emphasized the importance of considering insurance costs, fire safety, and community feedback. Additionally, the Port explored the installation of solar panels, roof lines, the use of high-quality windows, and the concept of using a design-build

professional for production of the facility plans. The discussion concluded with Mr. Nicholson highlighting the need to balance aesthetics with practicality and buildability.

The Commission designated Commissioner Black to work with the Director on preliminary plans for further review by the whole Commission.

C. RCO Sport Courts Grant Application

Executive Director Nicholson led a discussion with the commission about the possibility of securing a sports grant to develop pickleball courts on one of the parcels near the airport. While there was initial enthusiasm, concerns were raised about the suitability of the site and the potential impact on the airport's mission. The commission also discussed the possibility of using a zero-match grant, however, expressed uncertainty about the grant's criteria and the need for a specific land parcel.

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Former employee, Randy Everitt, provided insights on managing contracts and boards in a state agency as well as his personal experience with ESI. He recommended that past lease performance be a key consideration when considering any new lease agreement.

Airport Non-Aviation Land Planning Workshop:

Big Questions:

1. Does the Commission want to pursue a particular zoning with the Town (light industrial, commercial, mixed use, other or a combination)?

The Commission has decided to hold off on pursuing specific zoning for any parcel with the Town until further notice. Once the Town annexes pending parcels, more information will be available.

2. Are there scenarios where transient lodging would be desirable or acceptable (hotel, corporate retreat center, event center, other)?

The commissioners had varying opinions on this matter and agreed that this topic was not urgent and did not need to be decided upon at this time.

3. Does the Commission want to encourage a particular use or let the market decide, subject to Commission approval?

The Commissioners would like the market to drive the use of individual parcels.

4. Is the Commission interested in creating reserve parcels for Port led projects or future use?

Parcels B, C, D, K, and L will be reserved until further notice.

5. Is the Commission interested in pursuing a Port led industrial park area? Or are they interested in seeking a private sector developer for this purpose?

The commission is open to both options.

6. Are there any projects or goals deemed important enough to consider establishing an Industrial Development District and levy to fund them?

Commissioner Black suggested pursuing IDD funds to create a local community public access recreation space that would include a paddle board and kayak launch center and storage space, shipyard, and ample parking.

7. Is the existing method of identifying available parcels and following our lease Policy sufficient?

The commissioners saw no need to alter the current policy at this time.

8. Are there other Commissioner recommended questions that should be discussed?

Commissioner Marrett suggested pursuing a solar farm project. Director Nicholson gave multiple suggestions for possible placement.

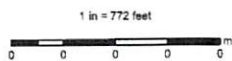
Commissioner Goodhart suggested using a portion of a parcel to incorporate battery power storage.

No decisions were made at this time.

Parcel Map:



This map is derived from San Juan County's Geographic Information System (GIS). It is intended for reference only and is not guaranteed to be 100% accurate. The information represented on this map is subject to change without notice.



San Juan County - Polaris

Date: 3/18/2024


Time: 10:33 AM

Parcels:

- A. Currently has a pending concept proposal.
- B. Reserved
- C. Reserved
- D. Reserved
- E. Currently has a pending concept proposal.
- F. Currently has a pending concept proposal.
- G. Currently has a pending concept proposal.
- H. Waiting for Wetland Delineation Report
- I. Site proposed for the New Port Administration Building
 - a. The South End of this parcel is open to concept proposals.
- J. Currently Under Lease
- K. Reserved
- L. Open for concept proposals that address a significant community issue.

Adjourn: 2:20 PM


Barbara Marrett, Commissioner


Graham Black, Commissioner


Rich Goodhart, Commissioner