

## Friday Harbor Port District

Port Commission Meeting

San Juan Island Yacht Club

Friday June 14, 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  
Mike Roling, IT Administrator  
Amanda O'Brien, Executive Assistant  
Mike Otis, Airport Manager

**Public Present:** Jill Belcovson, LWVSY  
Dan Levin, Citizen

**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 Levin came to follow-up on the recurring issue of pet waste residue contamination in the Fairweather Park picnic area. A solution was proposed of creating a designated "Pet Relief" area with signage to guide pet owners. A mock-up of the proposed signage was to be reviewed before proceeding.

### **Consent Agenda:**

- A. Payroll & Vouchers #04883-04935 in the amount of \$348,126.77
- B. Approval of Minutes: May 24, 2024, Meeting Minutes

Commissioner Black moved to approve the Consent Agenda as a whole; Commissioner Marrett seconded. The motion was approved unanimously.

### **Action Items:**

- A. Approve PNW Civil, Inc. change order dated 6/11/2024 on Northwest Hangar Taxi Lane Construction, contract 3-53-0152-038-2024, for \$865,622.12 with a total project cost of \$2,056,944.36.

Note – this change order is being driven by the use of concrete instead of pavement due to the unavailability of FAA space pavement on San Juan Island

Executive Director Nicholson discussed the high costs associated with airport engineering, primarily covered by the FAA, and the complex process of engineering for airport projects.

He also explained the process of having independent fee estimates done for the engineering costs. Precision Approach Engineering fees must be within 10% of the independent fee estimate or FAA must sign off on the difference.

Commissioner Marrett made a motion to approve the PNW Civil, IN. change order dated 6/11/2024, contract number 3-53-0152-038-2021. Commissioner Black Seconded that motion. The motion passed unanimously.

**B. *Oystertale* – Convert Lease to Month-to-Month**

Commissioner Black made a motion to approve the conversion of the *Oystertale* lease to a Month-to-Month. Commissioner Marrett seconded that motion. The motion passed unanimously.

**Discussion Items:**

**A. C Hangar Tariff – Long Term or Monthly**

Executive Director Nicholson further discussed the C Hangar replacement at the airport which entails replacing the old T hangers with new large box hangers. The Commission discussed potential rental rates for these new structures. The idea of targeting commercial hanger leases to incentivize employment and business development was also considered, while taking into account the potential for increased airport traffic and noise complaints. A proposal was made for the possibility of subsidizing rent for job-creating businesses and offering long-term leases as an incentive. It was suggested that we begin with exclusive advertising for commercial use. The decision on how to proceed with these proposals was deferred for further consideration.

**B. Summer Staff Scholarship Policy**

Executive Director Nicholson proposed several initiatives aimed at attracting and retaining talent. He suggested revising the summer staff scholarship policy, in particular, lowering the number of qualifying hours to 350 since none of last year's participants reached the required hours. He further advocated for education benefits for summer staff, proposing a scholarship program for those interested in higher education, trades, or apprenticeship programs, and requested feedback on these ideas. Mr. Nicholson indicated that a draft policy would be prepared for Commission review.

### **C. Consider Architect Hire for Port Administration Building**

The team discussed the potential of hiring an architect for the Port Administration building, highlighting the benefits of an external perspective, but expressing doubts about the cost-effectiveness. Commissioner Black proposed continuing with the current design and submitting the plans for review by an architect at a later stage. Commissioner Marrett emphasized the importance of attention to detail in design, reflecting her background in graphics, and the need for a building that fits the islands' aesthetic. Director Nicholson plans to find one or two individuals to review the designs and noted that the general plan, parking lot layout, and internal dimensions were set, but aesthetic elements could be adjusted prior to construction based on a consultant's feedback.

### **Staff Reports:**

#### **Mike Otis, Airport Manager**

Airport Manager Mike Otis shared updates on various projects, including the construction of a new fuel system area, the completion of the IOSA building, and Broadleaf spraying to reduce labor costs. He shared that in-house labor was utilized for these tasks, and upcoming projects such as addressing roof leaks and wood conditioning were planned for the fall.

#### **Phyllis Johnson, Port Auditor**

Port Auditor Phyllis Johnson outlined plans for an upcoming audit, emphasizing the importance of commissioner involvement and the potential benefits of forming relationships with auditors' staff.

Commissioner Goodhart volunteered to be the Commissioner Representative for this year's audit.

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

#### **Barbara Marrett, Commissioner**

Commissioner Marrett announced the upcoming display of high-end art from the San Juan Museum of Art at the Airport Terminal.

#### **Richard Goodhart, Commissioner**

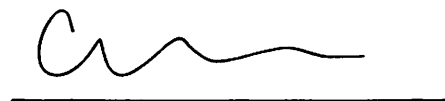
Mr. Goodhart introduced a class module he attended at this year's WPPA conference in Ridgefield, Washinton regarding real estate and ports. He discussed the use of tax increment financing (TIF) to fund public infrastructure projects in port districts. He explained that a portion of the district's jurisdiction is designated as an increment area, and the increase in assessed property value within this area pays for the infrastructure projects.

Mr. Goodhart highlighted that the outlay is repaid through the increases in assessed property value, with the property tax levy rates for other taxing bodies remaining at 1% plus new construction. He emphasized that the commission would decide which parcels were beneficiaries of the improvements, and that the project should aim to solve a major problem. He also demonstrated how new construction increases the assessed value and, in turn, the tax increment revenue, which can be used to pay off investments.

Commissioner Goodhart discussed two proposals for tax increment financing projects by the ports of Pasco and Ridgefield. He highlighted the potential risks and justifications for each project, emphasizing that the state treasurer's office had approved both despite potential risks. He also mentioned some modifications made to the tax increment financing tool by the legislature, awaiting Eric Fitch's explanation of the opposing viewpoints. Commissioner Goodhart concluded by acknowledging the tool's potential benefits, noting its recent introduction and urging its cautious use.

**Adjourn: 11:56 AM**

  
Barbara Marrett, Commissioner

  
Graham Black, Commissioner

  
Rich Goodhart, Commissioner