

Friday Harbor Port District

Port Commission Meeting
San Juan Island Yacht Club
Friday May 8th at 10:00 AM
Regular Meeting Agenda

Commissioners Present: Barbara Marrett
Richard Goodhart
Gib Black

Port Staff Present: Todd Nicholson, Executive Director
Kyle Gropp, Deputy Director
Mike Roling, IT Administrator

Public Present: Jill Belcovson, LWVSJ
Tom Minerick, Slip Holder

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.

Tom Minerick inquired about the status and plan for the solar canopy construction going forward.

Deputy Director Gropp mentioned that there were some delays and fabrication issues that have caused the timeline to slip. The current plan is to finish the current phase of construction then possibly do the next foundations then pause until September to finish the next phase.

Consent Agenda:

- A. Approval of Payroll and Vouchers
- B. Approval of Minutes: April 24, 2026

Commissioner Marrett asked about the Harbor Heating bill. It was explained that the charge was for the new heat pump installed in Hangar 80 as part of the PFFAF grant for that facility. Commissioner Goodhart moved to approve the consent agenda, Commissioner Marrett seconded. Motion approved unanimously.

Action Items:

- A. Resolution 26-004 – PIDP Matching Funds for Grant Application

Executive Director Nicholson explained that to apply for the 11-million-dollar MIRAD PIDP grant that the Port must commit to matching with 3 million dollars over the project timeline. The grant is to improve the Shipyard Cove Breakwater to protect the barge landing.

He mentioned that we are having the Port of Port Angeles review the application because they have been successful in the past. The Port of Anacortes is also trying for a MARAD

grant for their Pier 61 barge landing, which is the primary mainland source for cargo to Shipyard Cove. He is also working with WPPA and Congressman Larsen to highlight that these two applications are bookends to a major cargo run.

Commissioner Marrett asked if this was related to the Travelift. Executive Director Nicholson explained that the Travelift funding is separate, however the improved breakwater would likely also help protect the new haul out pier.

Commissioner Goodhart noted a typo – this was corrected.

Commissioner Black moved to approve Resolution 26-004, Commissioner Marrett seconded. Approved unanimously.

Discussion Items:

A. Early Renewal or Modification for J-Hangar Association Lease

Executive Director Nicholson explained that the current policy allows the Commission to consider a new lease for an airport property in the final term of the existing lease. The new lease typically requires a significant investment to extend beyond 10 years. Usually, the new lease is negotiated in the final 5 years of the existing lease. To avoid violating federal assurances, adding an extension or renewal without a significant investment is not permitted.

In this case J-Hangar is not in the final term but would like a new lease to help facilitate a hangar sale and to provide the buyer assurances beyond the remaining 11 years of the lease. Policy does permit the commission to renew earlier if they think it makes sense.

Commissioner Black asked the reasoning for waiting until the final term of the lease before renewing. Executive Director Nicholson explained that the reasoning was to prevent running into issues with federal assurances. If a lease goes beyond 50 years, it is possible the FAA could look at it as a disposal or require special approval. It also prevents the churn or wanting a new lease every time someone is looking to sell a hangar.

Commissioner Black asked if the J Hangars have any obvious things that need to be done. Executive Director Nicholson replied that they were in good shape for now, but the concern with a new lease is there must be some investment to justify the new lease life. The important part is any investments have to be done before the original structure reaches 50 years of age in order to be eligible for additional extensions.

Commissioner Goodhart asked if the buyer was worried about the Port not renewing the lease at the end of the term. Executive Director Nicholson responded that while the Port has never declined to offer a lease renewal option, it still makes people nervous when buying something for hundreds of thousands of dollars to not have certainty.

Commissioner Black stated that he doesn't like the idea of forcing renovations that aren't necessary. Executive Director Nicholson reiterated that the upgrade just must be done before the 50-year mark of the building, they wouldn't have to be done immediately. He also noted that the upgrades wouldn't have to be new siding, it could be something else that significantly increased the useful life of the building.

Executive Director Nicholson recommended that rather than the policy only allow renewals in the last extension, changing to the last 10 years of the lease. Commissioner Black wondered if there could be some early renewal fee to cover the costs if the renewal was before the 5-year mark.

Executive Director Nicholson indicated rather than a fee he would prefer the policy simply allowing for a one-time early renewal at any time that included the required investment before the 50-year building age mark in order to get an extension to 65-years.

Commissioner Black asked for this topic to be brought back in a future meeting for further discussion. Executive Director Nicholson indicated that he would write up a few different options for the commission to consider. Commissioner Black asked for the options to range from where anytime anyone wants to; they'd entertain it with a committed investment and staff time compensation.

Commissioner Marrett noted that we've really wanted to try standardizing the leases across the airport. Executive Director Nicholson mentioned that each time a lease is reworked it does trigger a bunch of accounting changes.

Commissioner Goodhart asked about the possibility of requiring an engineering review of the structure to receive an extension out to 65-years. Executive Director Nicholson said it would be possible to get an engineer's report with recommendations that have to be done for the extension.

B. Town Joint Meeting Topics for May 21st

Executive Director Nicholson reviewed the list of topics he provided to the town for discussion in a joint meeting including possible discussions related to the UGA expansion, sewer and water access to various Port properties, and zoning.

Commissioner Marrett thought it would be a good idea to present to the town many of the projects that the Port is currently working on to keep them informed.

Commissioner Goodhart asked if the town had provided any topics the town would like to talk about. Executive Director Nicholson responded that they haven't provided any topics but they had a meeting yesterday to talk about it; he hasn't reviewed the meeting yet but will before the Friday report.

Executive Director Nicholson stated that he would work with Commissioner Black to develop a presentation for the meeting.

Commissioner Marrett stated that she would not be able to make the meeting, nor would she be able to make the Port's meeting on the 22nd. Executive Director Nicholson asked the Commission if they'd like to have a bill pay meeting following the joint meeting with the Town rather than the regular meeting on the 22nd. He continued that the agenda for the meeting is currently very light with nothing urgent. The commission agreed to do a recess after the meeting with the town and then resume at the Port office to do the bill pay.

C. Art RFP Entries

Commissioner Black stated that we had received several responses to the RFP. He continued that he particularly liked the Alchemy entry because it was part of a community project and that really spoke to him.

Commissioner Marrett asked if the RFP called out community art as a point of consideration. It was confirmed that the RFP did include community art installations as a possible point of consideration.

Commissioner Black felt comfortable with moving forward with the commission making the decision. Commissioner Marrett proposed that before the commission decides that there be an additional chance for the public to comment on the proposals. It was suggested that it may be possible to make the proposals available for public comment during the June 4th Cannery meeting at the Mullis Center.

Commissioner Black asked if the recommendation committee was going to just the commission. Commissioner Marrett suggested that they could also invite someone from the town's art commission if they are willing. She suggested contacting Julie Greene at the Town to see if up to 2 members of the town's art commission would be willing to provide their recommendation for the June 12th meeting.

Executive Director Report:

None

Deputy Director Report:

None

Port Commissioner Reports and New Business: Commissioners may share information or introduce topics for discussion at future meetings.

Commissioner Goodhart asked about the slope of the solar panels on the solar canopy.

Deputy Director Gropp replied that they are 5 degrees, the panels lay flat on the canopy structure. He also noted that some school groups have come to ask their questions about the structure for one of their classes.

Commissioner Black mentioned that an acquaintance of his is a potential tenant of Dave Shield's Weber Way development. He is excited about that development.

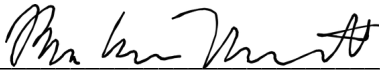
Commissioner Black asked if there was any interest in the Sauna RFP. Executive Director Nicholson responded, he thinks one of the groups has dropped out, but he hasn't heard from the others. There are still a couple of weeks before the deadline.

Commissioner Goodhart asked if there would be a clearance sign for trucks before they go up the hill by the solar canopy. Executive Director Nicholson confirmed there would be signage at the bottom and top of the hill and they we're looking at a knocker bar as well. Deputy Director Gropp added that the trucks that deliver there already back out because the loop tends to be too tight for them to maneuver.

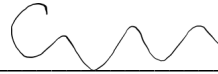
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None


Adjourn: 11:34a



Barbara Marrett, Commissioner



Graham Black, Commissioner



Rich Goodhart, Commissioner