Call to Order:
The meeting was called to order at 11:00am by Board Chair Buhler Rienstra. Present were Commissioners Dressler, and Ready. Commissioner McComas present by phone. Also, in attendance were Mike Glenn, CEO, Hilary Whittington, Chief Administrative Officer/Chief Financial Officer, Jon French, Chief Legal Officer. This meeting was officially audio recorded by Jefferson Healthcare. Commissioner Kolff was excused.

Executive Session:
Potential Acquisition of Real Estate

Commissioners went into Executive Session at 11:02am. Commissioners came out of Executive Session at 11:30am.

No public present was present.

Commissioner Ready made a motion to approve the purchase of 509 Cleveland St in the amount $298,500 and to authorize the CEO to execute all documents necessary in pertaining to the purchase. Commissioner Dressler seconded.

Action: Motion passed unanimously.

Conclude:
Meeting concluded at 11:31pm.

Approved by the Commission:

Chair of Commission: Jill Rienstra_______________________________________

Secretary of Commission: Marie Dressler ___________________________________
509 Cleveland Street Property Purchase

May 2019
- Purple indicates properties zoned Hospital Commercial
- 509 Cleveland Street highlighted in yellow box
- .91 acre lot (undeveloped)
- Board of Commissioners authorized Administrator to enter into negotiations to purchase - December 2018
Strategy and Intended Uses

• Short Term: overflow parking for JH personnel

• Mid-Long Term: develop site for revenue-generating medical use and/or support services
  • North 1/3 of property is within 250 yards of main hospital building; this is considered on-campus for provider based clinics or hospital outpatient departments
  • Support services do not have the same on-campus requirements, but being walkable is far preferred to off-campus office space
  • The use of this space will be determined through the master site plan process

• Zoning: C-II (H) Hospital Commercial
  • Permits the clustering of interrelated and complementary health care facilities.
  • Allows medical clinics, offices, pharmacies, nursing homes, and other medical-related uses
  • Also allows accessory or supporting uses which provide convenience services primarily to medical facility users/staff
Deal Points and Diligence

- **Purchase price: $298,500**
  - $6,000 earnest money already paid at time of accepted offer
  - FMV determined via market analysis of similar properties
  - Negotiated purchase price is $31,500 (9.6%) below original asking price of $330,000

- **Meeting with City of Port Townsend on 1/31 regarding parking use/construction**
  - Customer Assistance Meeting with Development Services Department planners
  - Planners indicated parking use acceptable, with access from Sheridan Street
  - No sidewalks required now (but we would agree not to contest if later required); stormwater drainage and landscaping required if we pave
  - Building permit(s) required if we pave
Financial Arrangements

• All cash transaction

• Effect on cash position:
  1 day of cash on hand (average daily cash expenses $298,000)
    • 4/30/19 cash balance: $26,938,290 (all sources, excluding 3rd party settlements)
    • 4/30/19 days cash on hand: 90 (105 including 3rd party settlements)
Questions and discussion