

Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, May 8, 2019
Victor J. Dirksen Conference Room

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 _____

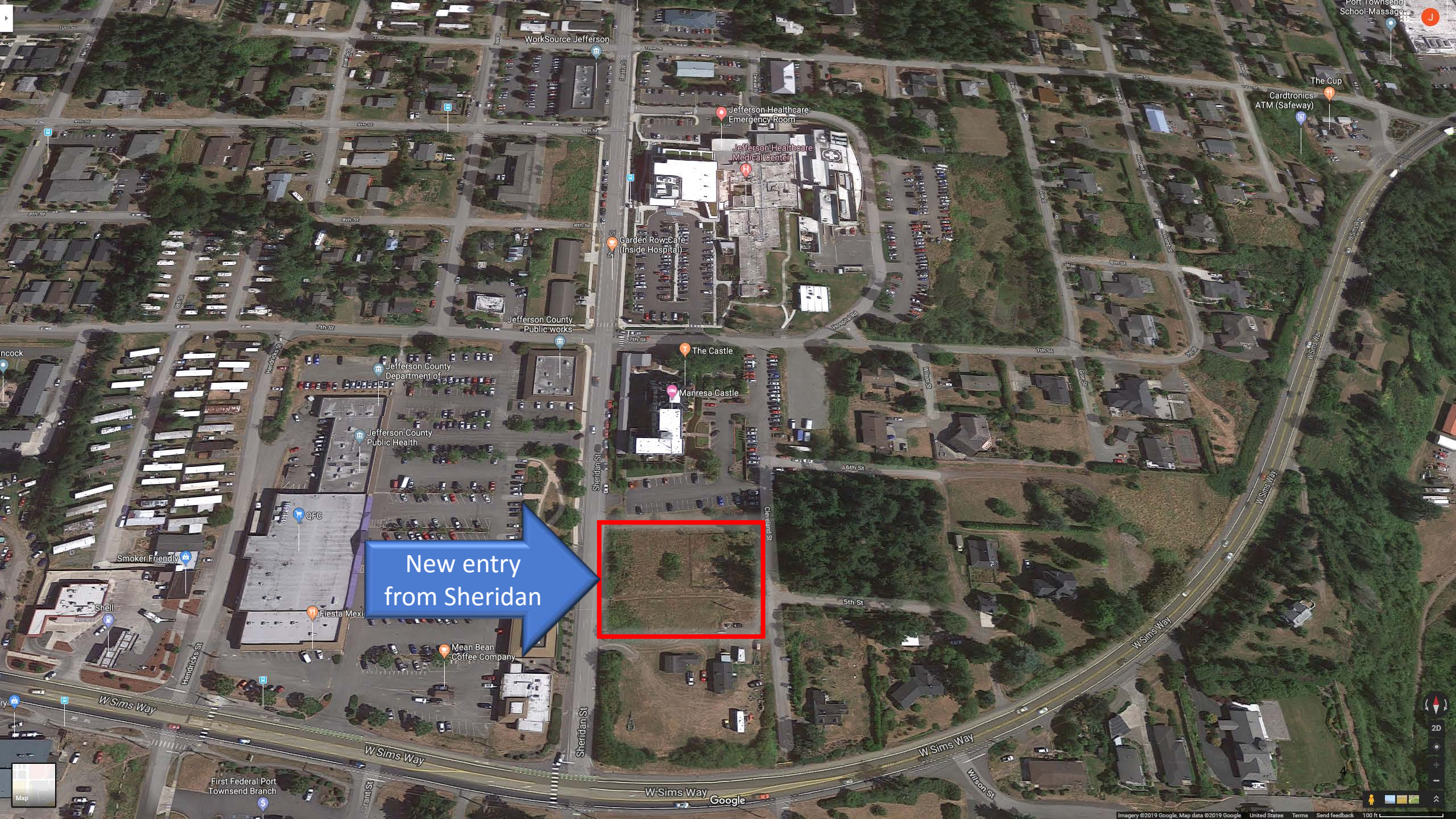


509 Cleveland Street Property Purchase

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



New entry
from Sheridan



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