

**MINUTES OF THE PORT OF BELLINGHAM SPECIAL COMMISSION MEETING  
HELD WEDNESDAY, JUNE 21, 2017  
SQUALICUM BOATHOUSE, 2600 N. HARBOR LOOP DRIVE  
BELLINGHAM, WASHINGTON**

Present:

Ken Bell	President
Michael Shepard	Secretary

Staff:

Rob Fix	Executive Director
Sunil Harman	Aviation Director
Brian Gouran	Environmental/ Planning Director
Don Goldberg	Economic Development Director
Adam Fulton	Facilities Director
Tamara Sobjack	Finance Director
Elizabeth Monahan	Human Resources Director
Shirley McFearin	Real Estate Director
Mike Hogan	Public Affairs Administrator
David Warter	Marine Terminals Manager
Chris Clark	Marine Terminals Business Development Manager
Carol Williams	Maintenance Manager
Alan Birdsall	Marinas Manager
Diane McClain	Executive Secretary

Guest: Paul Burrell, Sound Pacific Seafood

**CALL TO ORDER AND ROLL CALL**

The Special Commission meeting/ Budget Retreat on Thursday, June 21, 2018, was held in the Squalicum Boathouse; 2600 N. Harbor Loop Drive, Bellingham, Washington. The meeting was called to order at approximately 9:02.am. Commissioners Bell and Shepard were present; Commissioner Briscoe was out of town.

Introduction: Executive Director Rob Fix opened the meeting with a timeline and explained the process for developing the Port's Annual Strategic Budget which includes planning for upcoming projects and expenses, taking into consideration public benefit vs. financial return.

This being the first budget retreat/meeting for Commissioners Bell and Shepard, Mr. Fix and Finance Director Tamara Sobjack explained the intent of the special meeting was to provide an informal opportunity to review the Port's ongoing budget, major capital projects, debt balance & payments, revenues and expenses, present and future budget constraints, 2018 property taxes currently supporting various programs and formulate projections for future property taxes, and cash flow.

For purposes of developing the Port's 2019 Strategic Budget, the bulk of the meeting included staff divisional reports and presentations for Commission discussion, input and direction:

Human Resources Director Elizabeth Monahan explained that the Port will need to plan for the new Washington State Family and Medical Leave Act which will have financial as well as staffing implications.

Aviation Director Sunil Harman reported on the budget impacts to challenging market conditions, lower enplanements, deferring non-essential capital projects and expenditures, identifying and prioritizing FAA AIP projects with a focus on compliance and grant fund considerations. The Commission asked about increasing marketing and destination efforts, utilizing economic development assistance, seeking additional service to and from Seattle.

Marinas Manager Alan Birdsall presented a list of Blaine and Squalicum major projects and upcoming issues including the moorage model review in 2018-2019.

The Commission discussed moorage supply and demand, wait lists and differentiation in the two marinas, considering potential incentives to move from Squalicum to Blaine.

Commissioners Bell and Shepard agreed: \$25.00 is not unreasonable to charge the live-aboard moorage customers, given the additional services the Port incurs, and that the Port should continue providing sponsorship and support for the Wild Seafood Exchange annual event.

In addition to an update on the status of 2018 major projects (Relocation of Webhouse 1 in Blaine & Gear Storage Yard in Squalicum, Fishermen's Pavilion in Squalicum), staff would like the Commission to consider prioritizing from a preliminary list of 2019 major projects pertaining to security, signage, electrical improvements, HVAC and Hanger replacement, piers and bulkhead condition assessments in Blaine and Squalicum.

Marine Terminals Business and Development Manager Chris Clark presented revenue and expenses projections based on current activity and expected business at the Bellingham Shipping Terminal (BST). The Commission discussed the major capital projects; funded and unfunded list and were in support of continued efforts to attract business to the terminal. While they supported the recent acquisition of basic equipment at BST, Commissioner Bell was not in favor of financing the list of unfunded items without a customer first.

Bellingham Cruise Terminal Manager Dave Warter discussed 2019 major capital projects at the BCT include replacing the fire suppression system, repairing pier piling, installation of an automated parking pay station and replacing fire lines in the Fairhaven Station. Very little difference is anticipated in total revenues and expenses for 2019.

Real Estate Director Shirley McFearin presented an overview of the Port's Real Estate holding, expected revenue enhancements, tenant occupancy of Port facilities at record rates, Blaine industrial area condition and improvements.

The Commission discussed major capital projects for 2019 (each ranging in estimated costs from \$800k to \$2.5 m) such as replacing the Bayview Building HVAC and the roofing on the ITB Building, providing support for the construction of a new building at Seaview North in 2019 (similar to the support shown for All American Marine's business and expansion last year). Ms. McFearin praised the speed in which that project was accomplished and the reported benefit to AAM's operation. The Commission expressed support for the demolition of the Lignin Building (Environmental to investigate funding availability), and the need for repairs to the Blaine Bulkheads and Industrial area.

Bellingham Waterfront Acquisition Site (BWAS) – Environmental and Planning Director Brian Gouran explained the creation of the BWAS account following the acquisition of the GP property; mainly the Waterfront District (GP West Mill, ASB Lagoon, F Street Warehouse, Chevron & Colony Wharf and Airport Landfill) sites that will at some point be part of the Real Estate and Marine Terminals Divisions.

Mr. Gouran discussed 2019 policy goals being completing the Sub Area Plan Amendment, coming to a ASB Land Use decision, Harcourt Gateway Office Building proposal, Boardmill Hotel, Western Crossing, Safety and Public Access, Marine Trades and Economic Development and addressing the railroad relocation.

Major 2019 Waterfront Capital Projects discussed were the demolition of the Compressor Building adjacent to the F Street warehouse, designing the Whatcom Waterway visitor moorage, GP Wharf improvements, Whatcom Waterway and ASB Cleanup (multi-year projects). There was interest expressed and discussion of a conference facility and a fish hatchery as well as affordable housing being located within the Waterfront District. More to be discussed on these suggestions and as the identified major projects move forward and more details are known as to costs, funding sources, potential uses, timeline etc. Port staff will provide another update to the Commission in September.

The following topics were also briefly discussed and Commission direction given: Lignin Site Planning and grant funding application due in June- Port staff will proceed with the demolition plans and the application process, Energy Production, Reduction and Purchasing –staff will look into electric vehicle charging stations and prepare a report to the Commission.

Park and Open Space Priorities- Blaine Marine Drive status: Executive Director Rob Fix will contact the City of Blaine for an update and report back to the Commission.

Economic Development Director Don Goldberg discussed the Economic Development Tri funders (City, Port and County and State ADO Grant) 2019 proposed funding and

goals. Two potential projects involve a County wide Broadband study and Industrial Park Development (Cherry Point). The Commission discussed funding, staffing and measurable outcomes/deliverables.

Other Discussion: Commissioners Bell and Shepard asked about replacement of the float next to the old Firebelle boathouse, creation of an Outdoor Kayak trail/route along the shoreline, increased marketing budgets to promote businesses and the Port.

The next steps to adopting the 2019 Strategic Budget in November include additional Commission review and discussion, a first draft 2019 Operating and Capital budget to be completed in August, a 2019 draft budget document to be available for review and roll out to the public in October, and two public hearings prior to presenting the final budget to the Commission for approval November 20, 2018.

**ADJOURN**

The Special Commission meeting was adjourned at approximately 1:35 p.m.

  
Ken Bell, President

  
Michael Shepard, Secretary