

**MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD TUESDAY JULY 9, 2019
HARBOR CENTER ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

CONSENT AGENDA
ITEM # A

Present:	Commissioners:	
	President	Bobby Briscoe
	Vice President	Ken Bell
	Secretary	Michael Shepard (Teleconference)
Staff:	Rob Fix	Executive Director
	Sunil Harman	Aviation Director
	Don Goldberg	Economic Development Director
	Brian Gouran	Environmental, Planning Director
	Tamara Sobjack	Finance Director, Auditor
	Elizabeth Monahan	Human Resources Director
	Shirley McFearin	Real Estate Director
	Jennifer Allen	Project Engineer
	Greg Nicoll	Senior Engineer
	Jon Gibson	Project Engineer
	Frank Chmelik	Port Legal Counsel
	Carey Jones	Executive Assistant

4:30 PUBLIC MEETING, ROLL CALL- At approximately 4:30 p.m., Commission President Briscoe opened the public meeting and announced that all 3 Commissioners were present. Mr. Shepard via teleconference.

Advisory Committee Announcements

PUBLIC COMMENT PERIOD-

Jeffrey Lustick- Announced he is an Aircraft owner and operator at the Bellingham Airport, a Condo Association hanger owner, and rents a tie down and Tee hangar. He shared his concern about the new airport lease insurance policy which will require him to have a 2 million dollar general liability insurance policy. The additional expense is concerning to him, and seems to be an excessive amount after researching what other airports are doing. He mentioned this may cause airplane owners and operators to move away from the Bellingham Airport.

Karen Smith- Shared her concern about how the new hanger insurance is going to impact the nonprofit Chuckanut Flying Club which she is a member. The club currently has two hangers with two older planes. She explained they are in the process of getting quotes for the insurance, but was told the estimate will be high. They are a nonprofit and are concerned how this extra charge is going to impact the club.

Meeting Announcements

MARINA ADVISORY COMMITTEE – Tuesday, September 10, 2019, at 6:00 p.m., Commission Chambers, Harbor Center Building, 1801 Roeder Avenue, Bellingham.

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TECHNICAL AIRPORT ADVISORY COMMITTEE (TAAC)- Thursday, September 12, 2019, at 9:30 a.m., ARFF Conference Room, 2005 W. Bakerview Road, Bellingham International Airport.

BELLINGHAM INTERNATIONAL AIRPORT ADVISORY COMMITTEE (BIAAC)– Thursday, September 12, 2019, at 5:00 p.m., ARFF Conference Room, 2005 W. Bakerview Road, Bellingham International Airport.

CONSENT AGENDA

- A. Approve the minutes of the June 18, 2019, regular meeting.
- B. Approve Amendment to the 2019 Capital Budget.
- C. Approve the 2020 budget schedule.
- D. Authorize the Executive Director to enter into an insurance contract and authorize payment for the renewal of the Port's Property and Crime Insurance coverage for the period from July 1, 2019 through July 1, 2020.
- E. Authorize the Executive Director to execute a Professional Services Agreement Amendment with Pacific Surveying and Engineering to complete bid and permit documents for the All American Marine Storage Yard and Hilton Ave Improvement Project.
- F. Authorize the Executive Director to execute a purchase agreement with Strider Construction of Bellingham, WA, for the Squalicum Harbor Dock Box Purchase in the amount of \$74,839.95.
- G. Approve the Lease Amendment #2 with the State of Alaska, Alaska Marine Highway System ("AMHS") located at the Bellingham Cruise Terminal ("Cruise Terminal").
- H. Approve the Modification of Lease between the Port of Bellingham ("Port") and H & I Holdings, LLC ("H & I Holdings") for premises on Squalicum Way.
- I. Approve Modification of Airport Lease(s) between the Port of Bellingham and Bayside Hangar LLC (16); and a modification between the Port of Bellingham and Canyon Industries Inc. (20).
- J. Approve an Airport Ground Lease with Alto Condominium Association at the Bellingham International Airport.
- K. Authorize the Executive Director to execute the following documents in connection with Cohanim Bellwether LLC and Lombardi's In Bellingham, LLC – Consent to Sublease Agreement, Subordination and Non-Disturbance Agreement, and Trademark Licensing Agreement.

Motion to approve Consent Agenda items A- K.

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Discussion: The Commission requested clarification on items B & G and Rob Fix ask to pull item E and move it to Action Item Number 7.

Motion amended to approve the consent agenda items A- D and F- K.

Motion approved 3-0 vote.

ACTION ITEMS

1. Exclusive Negotiating Agreement between Millworks LLC and the Port of Bellingham

Motion: Authorize the Port to enter into an Exclusive Negotiating Agreement between Millworks LLC and the Port of Bellingham for the 3-acre Lignin Parcel in the Waterfront District.

Discussion: Brian Gouran, Director of Environmental and Planning Services announces the proposal to enter into an exclusive negotiating agreement between the Port of Bellingham and Millworks LLC. The agreement pertains to the potential redevelopment of a 3-acre parcel is located at the corner of Cornwall Ave and Laurel Street in the Waterfront District. Proposing a development of a local Food Campus and mixed residential use project for this parcel. He shared that he has received positive feedback from the commission, the community and port staff. He is asking to take this parcel off the market while he works with Millworks LLC on developing the project. In closing he shared that the Port of Bellingham received a planning grant from the Department of Ecology. Staff does recommend approval.

Motion approved with a 3-0 Vote

2. Bellingham Shipping Terminal Repair Projects - Phase III Massana Construction Bid Award

Motion: Authorize the Executive Director execute a contract with Massana Construction of Gig Harbor, WA in the amount of \$1,078,494.23 plus a 10% contingency for a total authorized contract amount of \$1,186,343.65.

Discussion: Jennifer Allen, Project Engineer gave a recap of Phase I (completed 2016- timber pile repairs in the North Terminal and structural repairs) and II (completed in 2017- steel pile repairs in the North Terminal, pile caps replacement, concrete decking and mooring hardware repairs) and provides details of Phase III of the repair project. Phase III will complete the steel pile repairs in the North Terminal, existing conveyor structure removal and bull rail replacement. She mentioned that future work will include pile repairs in the Central Terminal, as well as structural repairs throughout the terminal. The expected completion date is January of 2020; out of the five responsive bids, that ranged from \$1,078,495 to \$1,865,118 (the wide range in bids was partly contributed to a 16 day shutdown period), the low bidder was Massana Construction of Gig Harbor, WA.

Motion approved with a 3-0 Vote

3. 2019 Multiple Shorelines Storm Damage Repairs, S.E.A. Construction Bid Award

Motion: Authorize the Executive Director to execute a contract with S.E.A. Construction, LLC of Raymond, WA in the amount of \$541,479.27 plus a 10% contingency for a total authorized contract amount of \$595,627.19.

Discussion: Jennifer Allen, Project Engineer gave an account of 4 areas (Squalicum Harbor, Hilton Harbor, Fairhaven East & West, and Marine Park) that incurred damage after the March 2016 storm. These repairs were awarded to Ram Construction, but never got completed. The damages are worsening over time. The proposed repairs are needed to keep the long term safety of the shoreline and for Port operations and tenants. The tentative schedule to start the work is August 1st, with approximately 170 days of construction (time frame due to tenant coordination and contractors schedule). There were eight responsive bids that ranged from \$541,480 to \$796,060, the low bidder was S.E.A. Construction of Redmond, WA.

Motion approved with a 3-0 Vote

4. Bellingham Shipping Terminal Main Pier Repairs - Phase III Moffatt & Nichol; PSA Amendment No. 14

Motion: Authorize the Executive Director to execute an amendment to the existing Professional Services Agreement with Moffatt & Nichol for the Bellingham Shipping Terminal Repair Projects - Phase III construction administration services in the amount of \$24,045.00 plus a 10% contingency for a total authorized amendment amount of \$26,449.50, for a revised total authorized contract amount of \$544,259.00.

Discussion: Jennifer Allen, Project Engineer asked the commissioners for approval to move forward with Phase III of this project with Moffatt & Nichol (Amendment No. 14) which include improvements to reinforce, repair and protect the existing pier structure.

Motion approved with a 3-0 Vote

5. Blaine Harbor Sawtooth Pier Modifications WSP, Inc.; Professional Services Agreement

Motion: Authorize the Executive Director to execute a Professional Services Agreement with WSP, Inc. for alternative analysis and preliminary design for the Blaine Harbor Sawtooth Pier Modifications project in the amount of \$75,090.

Discussion: Greg Nicoll, Senior Engineer shared a little history of the Sawtooth Pier; the first part of the pier was constructed in the mid 1950's, and was then expanded in the mid 1970's. An assessment was completed in 2015, which identified a number of repairs that need to be done to extend the life of that pier. In 2016 and 2017 the Port completed two separate projects to complete those recommended repairs. When this pier was constructed, the slips were designed to support the fishing vessels used at that time. Over time the vessels have changed and this design no longer supports the modern fleet. In light of those concerns, the Port held two design charrettes held in May of 2016 and 2017. The requested design features included a heavy lift section, flat face

section, retain one to two teeth, provide power and water, deck crane, and possibly add a float. Based on those recommendations, the Port staff has identified 3 primary design alternatives to modify the existing pier. Alternative 1 would keep the pier largely unchanged. It would add a heavy lift section, install a crane and add power and water service (note: all alternatives would add these three options). Alternative 2 would implement the flat face which would put the pier out in deeper water. Alternative 3 is largely identical to the 2nd alternative, but would retain the slips 5 & 6 and would construct a float for operations. There is a 4th alternative that is included in this proposal but would only be briefly reviewed to determine viability, and that would be to replace the entire pier. The commissioners requested Port engineering staff further investigate the 4th alternative design, and delay contracting with a consultant until after the stakeholder meeting.

Motion failed with a 0-3 Vote

6:00 PUBLIC COMMENT PERIOD-

Lyle Jasma- He introduced himself as a new aircraft owner. He is a tenant and owns a hangar at the Bellingham Airport. He is concerned with the increase in the insurance requirements for the airport tenants. He shared that he wishes the tenants received notice prior to the increase and an explanation for the sudden increase.

6. Bellingham International Airport: Runway Safety Area Professional Services Agreement; Mead & Hunt, Federal Aviation Administration (FAA) Airport Improvement Project (AIP) Grant and Capital Improvement Plan (CIP) Advancement and Adjustment

Motion: Authorize the Executive Director to execute a Professional Services Agreement (PSA) with Mead & Hunt to provide engineering consulting services in the amount of \$420,108; plus a 10% contingency for a total contract amount of \$462,119, authorize the ratification of a Federal Aviation Administration (FAA) Airport Improvement Project (AIP) Grant No. 3-53-0005-57-2019 for the Federal share amount of \$711,000, advance the associated Capital Improvement Plan (CIP) funds of \$180,000 from 2020 to 2019 for the RSA compliance design, and add additional CIP funds.

Discussion: Greg Nicoll, Senior Engineer stated that the northeast corner of the BLI Runway Safety Area does not meet the required standards established by the Federal Aviation Administration. The RSA has a couple deviation from the FAA requirements. The deviation concerns are the grade on the northeast corner is steeper than allowed. The second deviation is that approximately seventeen hundred SF of the RSA extends outside of Port property and into the right of way of I5 and is owned by WSDOT. In an effort to resolve these deficiencies Ports staff is working with the FAA, WSDOT and the FHWA to identify alternatives to resolve both of these issues. One resolution is for the Port to purchase the property (seventeen hundred SQ) that is owned by WSDOT. Three options were given to improve the grade concern; Earthen Embankment, Retaining Wall or a Combination of both. The next steps to move forward with this process is to start with design and environment review. The costs for this project are available for 90% FAA grant funding, and the Port would be responsible for 10% of those costs. Anticipated construction to begin in 2020.

Motion approved with a 3-0 Vote

7. AAM Storage Yard and Hilton Ave Frontage Improvements, Pacific Surveying and Engineering (PS&E); PSA Amendment No. 1

Motion: Authorize the Executive Director to execute a Professional Services Agreement Amendment with Pacific Surveying and Engineering to complete bid and permit documents for the All American Marine (AAM) Storage Yard and Hilton Ave Improvement Project in the amount of \$48,410 plus a 10% contingency for a total contract amount of \$78,121.

Discussion: Jon Gibson, Project Engineer shared that the PSA amendment would allow Pacific Surveying & Engineering to prepare permit and bid documents for this year's Capital Improvement Project on Hilton Avenue. Due to the aggressive timeline of the 2016 AAM Building Project, the Port opted at that time to only complete the Hilton Ave improvements that were outside of the 200-foot shoreline buffer. Since AAM has determined that they need to use a portion of the gravel lot across the street from their building for a storage and parking area, the Hilton Ave frontage improvements within the 200-foot shoreline buffer now need to be completed. The COB requires parallel parking on one side of the street. At AAM's request the Port is pursuing 90 degree parking instead. Jon shared a preliminary site plan, which mapped out the scope of work.

Existing Trail Parking – Leave alone
Proposed AAM Storage / Parking area – Improved
Proposed 90 degree Parking – Paved and striped
Outside Port's Scope of Work – Private Development

Motion approved with a 3-0 Vote

OTHER BUSINESS

Commissioner Michael Shepard addressed the GA Insurance requirement. He thanked the community members that came and spoke today. He also mentioned that this topic was also brought up at the last meeting, the insurance is challenging to get for some of these individuals. Commissioner Shepard requested that the Port staff provide more information on the impact this is going to have and make sure the Port is moving in the right direction. Rob Fix, Executive Director shared the Port is requiring 2 million in general liability insurance, not to be confused with aircraft insurance which is a completely different requirement than what the Port is asking. Commissioner Ken Bell asked to be kept informed of the findings and get hard numbers. Commissioner Bobby Briscoe requested that staff provide further clarification, so they know exactly what they need to purchase.

Commissioner Shepard made a public reminder that the Port is soliciting RFP submissions for a need of art proposal for the Bellwether property and will be collecting those through the end of the month. More details are on the website.

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Commissioner Shepard ask Don Goldberg, Economic Development Director to give an update from the meeting he attended earlier in the day with the County Council and Commerce Committee. Don shared that in general the presentation went very well, he felt like the committee was looking at the County Council to be more proactive. He feels there will be more steps to this process; he seeing the current housing market as a crisis. Everyone agrees that there is a very bad issue related to housing, there are different opinions related to how to deal with it. The Business and Commerce Committee are reporting having a hard time growing here, and that businesses are choosing not to come here because of the housing crisis. The Commerce Committee is looking for solution driven answers. Commissioner Bell shared that he also attended the meeting and felt a tremendous amount of pushback. Commissioner Bell and Commissioner Briscoe feel that the County Council needs to take a serious look at these new ideas. One idea Commissioner Bell presented is to have the Commerce Committee bring forward a complete package.

Commissioner Shepard wanted to relay a conversation with PSE in regards to the solar project on the ferry terminal, and different avenues the Port has to address the lengthy payback period. PSE has a couple options for contributing to the project. He mentioned that the best tax incentives (30%) exist through the end of this calendar year. This tax break will drop incrementally over the next few years. He asked Rob Fix, Executive Director to research this and see if it is a good idea for the Port, as far as timing and effort.

Commissioner Briscoe, asked Sunil Harman, Aviation Director to shed some light on what Meridian High School has in the works. Commissioner Briscoe asked what the Port can do to get involved with Aviation programs in our local schools. He shared that about 3 years ago the Airport Advisory Board Committee recognized a need for skilled Aviation workers. Part of this is due to mandatory retirement and the length of time it takes to become a pilot. The other shortage that does not get talked about is skilled Aviation workers, like mechanics, air traffic controllers, who are apart of running the airport. We have an opportunity to partner with higher education institutions in conjunction with the local school districts to provide programs, where students can participate in a Running Start program and graduated with a Diploma and AA degree. This allows them to have a skillset they can take immediately into the marketplace. He announced that the Bellingham Airport is set up and a great place to start a flight training program. Sunil shared that the Meridian School District has partnered with a Seattle based Aviation school to provide a program. He wants to follow suit and work with the Commission to fund, facilitate, and grow partnerships to create vocational programs. The next steps are to get more school districts involved, including BTC, and get students engaged in Aviation.

Commissioner Bell reminded everyone that Bellingham Alive has a best of Bellingham competition. He encouraged everyone to vote for Seafeast and get that event on the map. The event will be held September 21 – 22nd in Bellingham.

ADJOURN

With no further business, the meeting was adjourned at approximately 6:52 p.m.

Barbby Smoot
President

M. A. [Signature]
Secretary

