

MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD MONDAY, AUGUST 9, 2021
REGULAR IN-PERSON/REMOTE MEETING

Consent Agenda
item # A

Present: Commissioners:
President Ken Bell
Vice President Michael Shepard
Secretary Bobby Briscoe

Staff: Rob Fix Executive Director
Holly Stafford Port Legal Counsel
Brian Gouran Director of Environmental & Planning
Kurt Baumgarten Environmental Planner
Mike Hogan Public Affairs Administrator
Gina Stark Economic Development Project Manager
Carey Jones Executive Assistant

3:00 PM OPEN PUBLIC MEETING, IMMEDIATELY RECESS TO EXECUTIVE SESSION

At approximately 3:00 PM, President Ken Bell opened the public meeting, and then immediately recessed to Executive Session. The purpose of the executive session will be to discuss potential real estate transaction(s) pursuant to RCW 42.30.110 (i) (c).

4:00 PM CLOSE EXECUTIVE SESSION; RECONVENE PUBLIC MEETING, ROLL CALL

At approximately 4:00 PM, President Ken Bell closed the executive session, opened the public meeting, and announced that all three Commissioners were present.

4:00 PM PUBLIC COMMENT PERIOD-

Natalie McClendon said she was shocked and dismayed by the personal attacks and criticisms made by other elected officials. She advised the commissioners to review the Ports Code of Conduct, and to post it on the website for easy public access.

Todd Lagestee encouraged the Port to rescind of much of the land sold to Harcourt as possible. He also spoke about the possibility of starting a Public Development Corporation.

Commissioner Atul spoke about comments that were made in a public forum on July 13, 2021. He said these comments were not good for the Port, PUD or the Community.

CONSENT AGENDA-

- A. Approve minutes from the July 13, 2021 regular scheduled commission meeting.
- B. Authorize the Executive Director to purchase a New 5 Station Portable Restroom.
- C. Motion by the Commission approving Resolution #1362-B, updating petty cash custodians and amounts.
- D. Authorize the Executive Director's acceptance of the two grant(s) and funds under the American Rescue Plan Act (ARPA) of 2021 totaling \$4,466,863. The ARPA funds will assist the Port to defray operating, maintenance, and debt service costs at the airport and provide relief to the airport's terminal concessionaires.

- E. Motion by the Port Commission approving the new Airline Operating Agreement with Southwest Airlines, Co. for commercial air-service at the Bellingham International Airport (BLI).
- F. Ratify the Executive Director's approval of the following contract:
 - (1) Project- Bayview/Bellwether Building Fire Alarm Panel Replacement; Contractor- Guardian Security Systems, Inc.
- G. Authorize reallocation of \$100,000 from Line 274 (Infrastructure Capital Improvements) of the 2021 Strategic Budget to a new 2021 project to repair a Squalicum Harbor area bulkhead.
- H. (a) Motion by the Port Commission to approve a Termination of Lease Agreement between the Port of Bellingham and San Juan Sailing, Inc. for Premises located at Harbor Mall, Suite 5.
(b) Motion by the Port Commission to approve a new Commercial Lease between the Port of Bellingham and San Juan Sailing, Inc. for premises located at Harbor Mall, Suite 22/24.
- I. Motion by the Port Commission to authorize the Executive Director to execute a Modification of Lease with Fairhaven Industrial Marine Repair Facility, LLC for premises at 200, 201 and 207 Harris Avenue.
- J. Motion by the Commission to approve the Second Consent to Assignment of Lease for Transfer of a Portion of Company Unit Shares Change of Ownership from Tim Cornwell of Bellwether Real Estate LLC to Monte Young, Adam M. Parry, and Diskin Young of Bellwether Real Estate LLC.
- K. Motion by the Commission to approve the following documents:
 - (a) Third Modification of Lease between the Port of Bellingham and I&J Properties LLC.
 - (b) Third Modification of Lease between the Port of Bellingham and Hilton Roeder II LLC.

Motion: Approve Consent Agenda items A - K

Discussion: Commissioner Bell highlighted item E, and said not only is Southwest Airlines coming, they are coming in a big way.

Motion approved with a 3 - 0 Vote

PRESENTATION

1. Broadband Update given by Economic Development Project Manager Gina Stark.

Discussion: Gina shared the Broadband Mission Statement, Goals, Timeline, Project Overview, Outcomes, and Funding/Investment.

Commissioner Shepard commented on tackling any of those opportunities that are strategic for us so that we can get the fiber connected to the homes in Whatcom County as soon as possible. The Broadband Steering Committee is going to continue to meet and move this project forward.

Commissioner Bell said back in 2018 the Port of Bellingham was flying solo on this Broadband project. Then in 2019, COVID hit, and all of a sudden Broadband is a priority and funding options are plentiful.

ACTION ITEMS

1. Little Squalicum Habitat Beach Project - Department of Ecology Grant Agreement and a Port Strategic Budget Amendment

Motion: A motion authorizing the Executive Director to 1) Accept a grant from the Department of Ecology to construct a marine habitat enhancement project at Little Squalicum Beach; 2) Amend the Port's 2021 budget to add funds for the project at Little Squalicum Beach.

Discussion: Environmental Planner Kurt Baumgarten gave a brief update on the acceptance of a one-time grant from the Washington Department of Ecology to clean up the Little Squalicum Beach.

Commissioner Shepard said he is excited to move this forward; it is overdue for some enhancement and better public use.

Commissioner Shepard asked about parking lot improvements, Kurt said that is in the works for phase 2. Phase 2 will likely require seeking State grant funding possibly from the Recreation and Conservation Office.

Commissioner Bell is supportive of this project; it will provide more useable access to the waterfront.

Motion approved with a 3 - 0 Vote

2. Port/Harcourt Restated and Amended Master Development Agreement

Motion: Motion authorizing the Executive Director to execute the Restated and Amended Master Development Agreement with Harcourt Bellingham, LLC to reduce the Master Development Area, adjust the project approval process, and provide detailed financial assurances, pending no substantive changes to the draft agreement.

Discussion: Brian Gouran Director of Environmental & Planning gave an update on the master development agreement between the Port and Harcourt. Brian reviewed that since 2015 the Port and City had made significant progress on cleanup, redevelopment and public access, however Harcourt has not met development performance measurements required in current Master Development Agreement. Brian stated that in June of 2021 the Port issued a notice of default to Harcourt and that the Port and Harcourt have been working cooperatively on to address the default through a restated and amended Master Development Agreement. The agreement in front of you to vote on is the restated and amended master development agreement. Port staff recommends approval.

Commissioner Shepard said he wishes we had this current contract in place today.

Commissioner Bell said we could not get a better deal from an arbitration process than we can get from this contract.

Commissioner Briscoe asked for clarification on the draft form of the contract in front of us today.

Executive Director Rob Fix read the revised motion.

NEW Motion: Motion authorizing the Executive Director to execute the restated and amended Master Development Agreement with Harcourt Bellingham, LLC to reduce the Master Development area, and adjust the project approval process. Provide detailed financial assurances subject to a revision that further restricts the project to the buildings A and B have received a certificate of occupancy within 24 months of approval of this agreement and pending no substantial changes to the draft agreement.

Motion approved with a 3 - 0 Vote

END OF MEETING PUBLIC COMMENT PERIOD-

Todd Lagestee stressed the importance of keeping this land (Waterfront District) in public ownership.

OTHER BUSINESS

Public Affairs Administrator Mike Hogan gave an update on the Waterfront Container Village.

The new Director of Real Estate Elliot Smith gave a brief introduction of himself and said he is very pleased to be working at the Port and looks forward to the future economic growth of Whatcom County.

With no other business, the meeting adjourned at approximately 5:52 PM.



President, Ken Bell



Vice President, Michael Shepard