

**MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD TUESDAY November 5, 2019
CONFERENCE ROOM – HARBOR CENTER BUILDING
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

CONSENT AGENDA
ITEM # A

Present:	Commissioners:	
	President	Bobby Briscoe
	Vice President	Ken Bell
	Secretary	Michael Shepard
Staff:	Rob Fix	Executive Director
	Brian Gouran	Environmental & Planning SVCS Director
	Tamara Sobjack	Director of Finance
	Don Goldberg	Economic Development Director
	Shirley McFearin	Real Estate Director
	Elizabeth Monahan	Human Resources Director
	Sunil Harman	Director of Aviation
	Emily Phillipe	Operations Manager
	Greg Nicoll	Senior Engineer
	Alan Birdsall	Strategic Project Manager
	Brady Scott	Senior Property Manager
	Jonathan Sitkin	Port Legal Counsel
	Mike Hogan	Public Affairs Administrator
	Kurt Baumgarten	Environmental Planner
	Carey Jones	Executive Assistant

4:30 PUBLIC MEETING, ROLL CALL- At approximately 4:32 p.m., President Bobby Briscoe opened the public meeting and announced that all 3 Commissioners were present.

Advisory Committee Announcements

MARINA ADVISORY COMMITTEE (MAC) – Tuesday, November 12, 2019, at 6:00 PM, Commission Chambers, Harbor Center Building, 1801 Roeder Avenue, Bellingham.

TECHNICAL AIRPORT ADVISORY COMMITTEE (TAAC) – Thursday, January 16, 2019, at 9:30 AM, ARFF Conference Room, 2005 W. Bakerview Road, Bellingham International Airport.

BELLINGHAM INTERNATIONAL AIRPORT ADVISORY COMMITTEE (BIAAC) – Thursday, January 16, at 5:00 PM, ARFF Conference Room, 2005 W. Bakerview Road, Bellingham International Airport.

PUBLIC COMMENT PERIOD-

Ken Hertz came to tonight's meeting to discuss the potential 5 Commissioners increase. He is in support of this potential increase, and put together a petition with 29 signatures that supported the Commission increase.

Dick Cathell a local boater in Bellingham for over 20 years, Member of MAC for a few years, and a member of many other committees/boards. He said that Whatcom County

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has 5 Districts and he thinks it would make sense to have someone represent each of those 5 Districts. Which in turn would give a broader representation and protect the Commissioners.

Pete Granger commented on the Preliminary Strategic Budget Update. The Working Waterfront Coalition is pleased to see the real estate objectives (maximizing and expanding marine trade properties).

Paul Schissler spoke on the potential increase from 3 to 5 Commissioners. He said he does not know what it would look like, maybe 2 at Large and 5 Districts. He would like to see this proposal get in front of the voters in 2020.

President Bobby Briscoe mentioned that all three Commissioners received a letter from Alan McConchie. The letter was in favor of the potential increase from 3 to five Commissioners.

CONSENT AGENDA

- A. Approve the minutes of the October 22, 2019 regular scheduled meeting.
- B. Authorized the Executive Director to execute a Commercial Electric Facilities Contract with Puget Sound Energy in the amount of \$352,582.51 with 13 percent contingency for a total authorized amount of \$400,000 to install conduits, vaults, and electrical equipment; convert overhead utilities to underground utilities; and increase the power supply at the Bellingham Shipping Terminal.
- C. Authorize the Executive Director to execute a funding agreement with the National Fish and Wildlife Foundation in the amount not to exceed \$95,435 for the Squalicum Harbor Gate 1 Pumpout Float & Pile replacement project.
- D. Authorize the Executive Director to execute a Voluntary Donation Agreement with Northwest Recycling, Inc. to accept a historic artifact known as the Chipper Wheel which was once used by Georgia-Pacific as part of its pulp and paper operations on Bellingham's downtown waterfront.

Motion to approve Consent Agenda items A - D.

Discussion: There were no comments.

Motion approved 3-0 Vote

PRESENTATIONS

1. Corix District Energy Update

Public Affairs Administrator Mike Hogan introduced Ivana Safar from Corix Utility, she gave an update on the efforts to implement the District Energy System on the Waterfront District. She covered the Due Diligence Process/Results, Key Business and Financial Assumptions, Business As Usual vs. District Energy Comparison, Benefits of District Energy, Roles and Responsibilities, and Timeline & Next Steps.

Discussion: Secretary Michael Shepard asked Ivana to go over the cooling options one more time. The Commercial offices would all be served with heating/cooling options,

and some of the residential will have those options as well. But some residential units will not have cooling options, but that could change before the project starts.

Commissioner Shepard asked Ivana if she has gotten enough information from the developer to move forward with the plans. She said the time difference has been challenging. As far as their timelines, she feels they are on track and in regular communication with the mechanical contractor for the first building.

Commissioner Shepard asked for a communication update with PSE and use of the waste heat from the EcoGen plan. Ivana had initial discussions and toured the plant and got a better idea of the operating schedule. She said there is opportunity to use the waste head, and they would like to continue their communication with PSE.

Commissioner Shepard said it looks like the Mill Works Plant is one of the facilities that is a potential recipient of the heating and cooling system.

President Bobby Briscoe asked what the rough cost will be to change over to renewable energy in 2029. Ivana said it really depends on the final size of the facility, but the current assumptions for just the technology are assumed to be around \$3 million dollars, and the building roughly \$2 million dollars.

2. 2020 Preliminary Strategic Budget Update

Director of Finance Tamara Sobjack gave a brief update on the 2020 Draft Strategic Budget Tax Levy. Tamara asked the Commission for direction on whether to increase the tax by 1% or to remain as is.

Discussion: All three Commissioners (Briscoe, Bell & Shepard) were in agreement not to increase the tax by 1%. Unless there is a clearly identified project that had significant Economic Development potential.

3. Expanding the Commission from 3 to 5 Update

Executive Director Rob Fix presented the facts to the process of expanding the Commission from 3 to 4 Commissioners.

Discussion: Secretary Michael Shepard asked if the 60 days was a hard number, Executive Director Rob Fix responded yes.

Vice President Ken Bell asked if there was a better time to run it through the election process, Rob said it really depends on who is on the ballot (for shared costs savings), but the Port could very well get stuck with the entire bill.

Commissioner Bell said with the timing if the Port went to 5 Commissioners, there could potentially be 4 open seats at the same time.

Commissioner Shepard asked what the expense would be if the Port went from a 3 to 5 Commission. Rob said it depends on how many other elections are on the ballot at the time. Rob said it tends to run about \$100,000 per ballot measure, but if the Port is the only one on the ballot, it is going to cost a lot more than \$100,000. The Commissioners

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asked Rob to find out what the cost would be if no one else is on the election and report back.

Commissioner Bell proposed the idea of a 6 year term, and what would that look like. Port Legal Counsel Jonathan Sitkin said it would have to be a vote of the people to go to a 6 year term. Executive Director Rob Fix said the Port can report back on what it would take to go to a 6 year term.

Commissioner Shepard said the community that has been in contact with him are in favor of moving to a 5 Commission. Commissioner Shepard said moving to a 5 Commission would reduce the confusion rational, having greater accountability, reach, and spread of the representation of the diversity of Whatcom County. Commissioner Shepard said he did his own poll, and reached about 2,000 people, with 75% in favor of moving to a 5 Commission. Commissioner Shepard said he is in favor of moving to a 5 Commission.

Commissioner Bell is in favor of moving to a 5 Commission and believes it is good governance. Commissioner Bell sees the benefit of being able to meet with other Commissioners one on one, or 2 Commissioners being able to meet with the Executive Director. As well as getting the Lynden and East County region better representation. Putting the increase to 5 Commissioners on the ballot is a worthy measure.

President Bobby Briscoe said it is ultimately up to the voters. Commissioner Briscoe is not sure that more Government is always better. Commissioner Briscoe does not believe that 5 Commissioners better represents the County, he believes a good Commission represents the County. It is difficult enough making decisions with 3 people alone 5 people. Commissioner Briscoe believes they will lose transparency as a Commission if the Port goes to 5 Commissioners. Commissioner Briscoe said if the people want to get this on the ballot, they need to sign petitions.

5:30 PUBLIC COMMENT PERIOD-

There was no public comment.

PRESIDENT BOBBY BRISCOE RECESSED THE PUBLIC MEETING AND OPENED A PUBLIC HEARING ON THE 2020 PRELIMINARY STRATEGIC BUDGET.

There was no public comment.

PRESIDENT BOBBY BRISCOE CLOSED THE PUBLIC HEARING ON THE 2020 PRELIMINARY STRATEGIC BUDGET AND RECONVENED THE REGULAR COMMISSION MEETING.

PRESIDENT BOBBY BRISCOE RECESSED THE PUBLIC MEETING AND OPENED A PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS.

There was no public comment.

PRESIDENT BOBBY BRISCOE CLOSED THE PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS AND RECONVENED THE REGULAR COMMISSION MEETING.

ACTION ITEMS

- 1. Authorize the Commission to pass Resolution No. 1387 accepting and adopting the Bellingham International Airport (BLI) Master Plan approved by the Federal Aviation Administration.**

Motion: A motion by the Board of Commissioners of the Port of Bellingham to pass Resolution 1387 accepting and adopting the Bellingham International Airport (BLI) Master Plan approved by the Federal Aviation Administration.

Discussion: Director of Aviation Sunil Harman announced they received a letter from FAA approving the BLI Master Plan. Sunil read a prepared statement and then turned it over to Operations Manager Emily Phillipe for the presentation. Emily discussed the Airfield Projects, Terminal Projects, Sustainability Studies, General Aviation Projects, Projects Related Environmental Impacts, and the Airport Layout Plan. In closing, Emily recommended the adoption of the Master Plan.

Vice President Ken Bell addressed Director of Aviation Sunil Harman about the expansion to the South. He stated that is going to have some impact on BLI Airport. Commissioner Bell asked if this will result in a loss in carrier of more flights. Sunil said the forecast did consider a 3-5% impact from Paine Field but not take into account an airport besides Paine Field coming into service. Sunil said that the 6 airport sites being considered are well outside of the BLI service area. He said the pricing at Paine Field is very competitive, but it is not sustainable. They did not use that as a major contributor to the projections, because he believes they (SeaTac & Paine Field) will hit capacity in 5 to 6 years. Sunil stated that after a projected 5-year downturn the growth rate will be 1.5-2% a year over the next 15 years.

Secretary Michael Shepard asked if this will affect the development in the North. Director of Aviation Sunil Harman assured him the plan addressed the North (YVR), but he does not see a significant impact. Commissioner Bell asked if the CAD 9 billion dollars will go to passenger experience, improvement, and expansion at the airport. Sunil said primarily terminal expansion, with some landside improvements like structural garages. Commissioner Shepard asked Sunil to explain how the utilization of the vehicle electric charging stations at the airport has been. Sunil said it has not been as well utilized as they initially anticipated.

President Bobby Briscoe asked about the airport proposing to be built somewhere in the West Coast, roughly how many acres will that take. Director of Aviation Sunil Harman said he looked at the airport site in Southern California that would have replaced Lindbergh Field. The rule of thumb is you look for a new airport site is at least 5 to 8 square miles (15 to 20 thousand acres) to accommodate eventual triple independent simultaneous ILS approaches at a minimum. Sunil mentioned that the Base

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Realignment and Closure (BRAC) process provides suitable airport sites for the civilian reuse of surplus bases.

Motion approved with a 3-0 Vote

2. Authorize the Commission to adopt Resolution No. 1388 incorporating the 2019 Bellingham International Airport Masterplan as an element of the Port's Comprehensive Scheme of Harbor Improvements.

Motion: A motion to adopt Resolution No.1388 incorporating the 2019 Bellingham International Airport Master Plan as an element of the Port's Comprehensive Scheme of Harbor Improvements.

Discussion: This discussion was combined with action item 1. No further comments to note.

Motion approved with a 3-0 Vote

3. Authorize the Executive Director to execute an Interlocal Agreement with the City of Bellingham to conduct and jointly fund a comprehensive coastal hazards modeling study of shorelines throughout Whatcom County and Bellingham Bay.

Motion: A motion authorizing the Executive Director to execute an Interlocal Agreement with the City of Bellingham to conduct and jointly fund a comprehensive coastal hazards modeling study of shorelines throughout Whatcom County and Bellingham Bay.

Discussion: Environmental Planner Kurt Baumgarten said that this project is led by USGS (United States Geological Survey). The modelling was developed and tested extensively in Coastal California. The (COB) City of Bellingham is leading this project with the USGS. It's a partnership between the COB, Whatcom County, Port of Bellingham, the City of Blaine and other partnerships. The USGS model uses a combination of atmospheric and ocean conditions and global climate models to predict effects of sea level rise on the shoreline. Kurt shared the benefits of the project.

Vice President Ken Bell asked if the City of Blaine is one of the partners. Kurt said the committed partners are Whatcom County, the City of Bellingham and then Blaine (to a lesser extent).

Secretary Michael Shepard asked if the Commissioners will get the opportunity to ask USGS technical questions. Kurt assured the Commissioners they will get a progress report as this project moves forward. Commissioner Shepard also spoke about the benefits of the mapping, and that it gives a real perspective of what's to come. Commissioner Shepard believes we need to put aside reserved funds for these type of future projects/systems.

Motion approved with a 3-0 Vote

4. Authorize the Commission to approve a Modification of Lease between the Port of Bellingham and Sound Pacific Seafood, LLC for premises at the Blaine Marine Industrial Area.

Motion: Motion by the Port Commission to approve a Modification of Lease between the Port of Bellingham and Sound Pacific Seafood, LLC, for premises at the Blaine Marine Industrial Area.

Discussion: Senior Property Manager Brady Scott stated in 2009 the Port of Bellingham entered into a 20 year lease with the Upper Skagit Indian Tribe for property in the Blaine Marina Industrial Area. In 2014 that lease was assigned to Sound Pacific Seafood through a purchase and sale agreement. The lease is subject to rent adjustment every 5 years, this lease addresses the rent adjustment. It also includes updates to the agreement with the current Boiler Plate contract.

Motion approved with a 3-0 Vote

OTHER BUSINESS

Vice President Ken Bell had no other business to discuss.

Secretary Michael Shepard gave a shout out to everyone that worked and continues to work on the upkeep of the Pump Track maintenance. It has been so fun to see all the activity down on the waterfront.

President Bobby Briscoe said the agricultural sector in the East County does not really have any representation at the Port of Bellingham. Executive Director Rob Fix said from time to time the Port has meet with farmers from that area, and help with project funding like the Farm for Life project in Lynden. Commissioner Shepard proposed putting a staff member in contact with that group of the community to stay connected. Rob said it sounds like a great project for the Economic Development team, and he will work with them to see how the Port can better connect with that group and get back to the Commission with suggestions.

Commissioner Briscoe noticed that some of the smaller Port buildings like Tesla have solar roof tiles. Executive Director Rob Fix said that anytime the Port is looking to repair/replace a rooftop they consider solar options.

Commissioner Briscoe asked about the Starfish Building in Blaine that is apparently falling into the bay. Senior Engineer Greg Nicoll said that after talking with his Engineering Team that has been working on that bulkhead, the major concern is the bulkhead itself. The engineering department put together a rough cost estimate to demolish that building and are working with the Real Estate department on the removal of that structure. Real Estate Director Shirley McFearin said the tenant is required to pay that cost, the customer has requested the Port to amortize that cost over the term of their lease.

Commissioner Briscoe asked his fellow Commissioners if they received calls about adding a 3rd lane on the freeway from exit 250 (Fairhaven Parkway) North to exit 266

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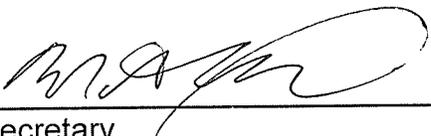
(Grandview). Executive Director Rob Fix said he will assign a Port employee to follow this closely. Economic Development Director Don Goldberg said that Senator Erickson wants to move forward with this project. Secretary Michael Shepard asked if there is a clear need, and is the rationale there for this extra lane.

ADJOURN

With no further business, the meeting was adjourned at approximately 6:45 p.m.



President



Secretary