

**9MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD MONDAY, JUNE 19, 2012
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Scott L. Walker	President
	Jim Jorgensen	Vice President
	Michael McAuley	Secretary

Staff:	Rob Fix	Interim Executive Director
	Dan Zenk	Aviation Director
	Lydia Bennett	Business Development Director
	Mike Stoner	Environmental Programs Director
	Carolyn Casey	External Affairs Director
	Fred Seeger	Facilities Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Sylvia Goodwin	Planning and Development Director
	Steve Shipman	Real Estate Representative
	Norm Gilbert	Project Engineer
	Mike Bozzo	Maintenance Manager
	Jon Sitkin	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING TO ORDER

Commissioner Walker called the meeting to order at approximately 3:00 p.m.

PUBLIC COMMENT PERIOD: The following people signed up for and participated in the public comment period:

1. Darren Williams, (*Longshoreman, IWLU*), 4089 Y Road, Bellingham, WA. 5 Port Commission, does not support the proposed Resolutions 1310 and 1311, not in the best interest for the Port or community.
2. Clayton Petree 2955 Sunset, Bellingham, WA - Revenue, presented a letter to the Commission and spoke of his concern re: Whatcom County Council's notice to the Washington State Department of Natural Resources (DNR) on the reconveyance of about 87,000 acres of timber land of long term commercial significance to Whatcom County for use as a park, without input from other county taxing public entities; specifically the Port. Click here for document: <http://www.portofbellingham.com/DocumentCenter/View/1521>
3. Tip Johnson (*former Port tenant, 30 years*), 2719 Donovan, Bellingham, WA - 5 Port Commission, presented Commission a copy of a claim filed in the Supreme Court of the State of Washington on May 31, 2012, pertaining to the liquor Initiative 1183 and spoke of the single-subject and subject in title wording of the validity of the resolution; Mr. Johnson would like the Port to uphold the original resolution and not rescind.

4. Hue Betty, 1015 W Toledo, Bellingham, WA - Port Commission, has spent over \$30 to date in support of the petition and for the resolution of 3 to 5 with the additional 2at large.
5. Port Executive Secretary asked that the letter from Mr. Petree be entered into the record as well as the email sent by Mr. Paskus re: parking fees at the airport.

CLOSE THE PUBLIC COMMENT PERIOD AND RECONVENE THE REGULAR COMMISSION MEETING.

CONSENT AGENDA

Commissioner Walker closed the public comment period and made the following motion:

Motion: To adopt Consent Agenda items A through B as follows:

- A. Authorization to sell vessel, pursuant to Resolution No. 947.
- B. Authorize the Director of Human Resources to act on behalf of the Port of Bellingham Commission to amend the Personal Services Agreement with Waldron & Company to conduct a replacement Executive Director search increasing the budget by \$10,000 for a total authorized budget of \$50,000 and extend the terms of the agreement until December 1, 2012.

Discussion: There was no discussion.

Motion approved with a 3-0 vote.

AGENDA REVISION

Commissioner Walker announced that the first 2 items under Action Items would be presented before the update from Port Lobbyist Rick Agnew.

ACTION ITEMS

1. RESOLUTION NO. 1310, SUBMITTING A PROPOSITION TO THE VOTERS THAT THE NUMBER OF COMMISSIONERS BE INCREASED FROM 3 TO 5.

Motion: Approval of a Resolution of the Port Commission of the Port of Bellingham submitting a proposition to a vote by the qualified voters of the Port district whether the number of Commissioners of the Port district should be increased from three (3) Commissioners to five (5) Commissioners.

Discussion: Interim Executive Director Rob Fix explained that the proposed resolution if passed by the Commission would replace and carry out the intent of the resolution rescinded by the Commission when the staff was directed to prepare a revised resolution.

As explained by Mr. Fix and legal counsel Jon Sitkin, Resolution No. 1310 would cause to have a proposition whether to increase the number of Port Commissioners from 3 to 5 to be placed before the voters of Whatcom County at the November 2012 general election.

There was some discussion as to the 2 additional members being at large or cause for redistricting if the proposition passes; all Commissioners agreed that the proposition to increase the number of Commissioners from 3 to 5 will be on the November ballot.

Motion approved with 3-0 vote.

2. RESOLUTION NO. 1311, PROPOSING THAT 2 COMMISSIONER DISTRICTS INCLUDE THE ENTIRE PORT DISTRICT IN THE EVENT THAT THE NUMBER OF PORT COMMISSIONERS IS INCREASED FROM 3 TO 5.

Motion: Approval of a Resolution of the Port Commission of the Port of Bellingham proposing that two Commissioner Districts include the entire Port district in the event the number of Port Commissioners is increased from three (3) to five (5) Commissioners.

Discussion: Interim Executive Director and Commissioner McAuley and Port legal counsel explained that Resolution No. 1311 would cause to have a proposition whether two Commissioner Districts should include the entire Port district in the event that the number of Port Commissioners is increased from 3 to 5. Commissioner McAuley stated that he felt if the voters approve the measure for 2 additional Commissioners, and they want those 2 members to be at large; the Port should place that option on the ballot by approving Resolution No. 1311. Commissioner McAuley read aloud the Resolution of the Small Cities Caucus in favor of redistricting to broaden county wide representation. Commissioner Walker stated he would not support the at large provision of Resolution 1311 and Commissioner Jorgensen agreed. Both Commissioners voiced preference for county wide representation and redistricting.

Motion failed with a 1-2 vote. Commissioner McAuley voted for Resolution No. 1311, Commissioners Walker and Jorgensen voted against.

PRESENTATIONS

Update - Federal Legislative Report.

External Affairs Director Carolyn Casey introduced Port Legislative Lobbyist Rick Agnew from the firm of VanNess Feldman. Mr. Agnew reported that the general outlook of the New Congress and the Federal Administration presents fiscal challenges due to the emphasis on debt reduction and the continued economic downturn. Mr. Agnew further added that local projects that feature new infrastructure, urban development and public-private partnerships stand the highest likelihood of gaining federal support. Mr. Agnew also reported that the Port priorities that he is focusing on, at the direction of Port staff are: Airport FAA reauthorization legislation and increasing the Passenger Facility Charge (PFC) rates, Bellingham Waterfront funding. Rail relocation and rail issues, Short Sea Shipping opportunities (Alaska and Washington delegations), Industrial Development Bond Reform (increased limits). Mr. Agnew suggested the preferred timing for input to Federal agencies will be in the fall, 2012 (for FFY 2014 Budget) and to the D.C. delegation in February 2013.

ACTION ITEMS (continued)

3. LEASE MODIFICATION FOR THE FEDERAL AVIATION ADMINISTRATION (FAA).

Motion: Approval of a Supplemental Lease Agreement (SLA) between the Port of Bellingham (Port) and United States Government (FAA).

Discussion: Aviation Director Dan Zenk explained that the Port recently approved a Ground Lease with Allegiant Air, LLC for the construction of a building to support Allegiant's expanding flight operations at Bellingham International Airport. Mr. Zenk further explained that the proposed lease site shares the FAA Air Traffic Control Tower lease site easterly lease line and in order to accommodate Allegiant's building plan, staff is proposing a 20 foot wide utility easement along the North East Fence that surrounds the Air Traffic Control Tower which after the installment of utilities, becomes a restricted use area to satisfy the Whatcom County's fire code set back requirements and will prohibit future structures from being built within the subject area.

Motion approved with 3-0 vote.

4. CHANGE ORDER WITH DUTRA CONSTRUCTION COMPANY, INC. FOR STANDBY COSTS DURING THE G-EAST BOATHOUSE FIRE INVESTIGATION AND SALVAGE WORK.

Motion: Authorize the Interim Executive Director to execute a change order with Dutra Construction Company, Inc. for standby costs during the G-East boathouse fire investigation and salvage work at Gate 3 in the amount of \$53,728.24 and increase the total authorized contract amount to \$7,429,558.70.

Discussion: Project Engineer Norman Gilbert explained and Facilities Director Fred Seeger concurred that this change order is related to the March 30, 2012, Squalicum Boathouse fire which required weeks of investigation, salvage, recovery and environmental protection operations work. Mr. Gilbert further explained that while these operations were ongoing, Dutra Construction Co. Inc. (Dutra) was restricted from access to the Gate 3 marina project site which resulted in the change order for \$53, 728.24 in impact costs to Dutra for 31 days lost and mobilization costs. Once the restrictions were lifted, Dutra returned to work. Mr. Seeger provided a brief overview of the ratification of contracts (2) executed and the work completed and the total invoices for the salvage, investigation, recovery operations work coming in at less than the original estimates.

Motion approved with 3-0 vote.

5. CHANGE ORDER WITH DUTRA CONSTRUCTION COMPANY, INC. FOR SYSTEM REPAIRS TO THE GATE 3 MARINA DAMAGED BY THE G-EAST BOATHOUSE FIRE.

Motion: Authorize the Interim Executive Director to execute a change order with Dutra Construction Company, Inc. for system repairs to the gate 3 marina damaged by the G-East boathouse fire in the amount of \$301,966.94 and increase the total authorized contract amount of \$7,731,525.64

Discussion: Project Engineer Norman Gilbert reported that as a result of the March 30, 2012, boathouse fire in Squalicum Harbor, weeks of salvage, recovery, environmental protection

operations and a damage assessment of the affected Gate 3 dock has been conducted. The damage assessment identified the Concrete Float System, Electrical System and the Mechanical Systems as areas all in need of major repairs. The proposed change order is for the repair of these systems.

Motion approved with 3-0 vote.

6. AWARD BID TO HYTECH ROOFING, INC. FOR THE RE-ROOFING OF FAIRHAVEN MARINE INDUSTRIAL PARK (FMIP) BUILDING 6 AND BELLINGHAM SHIPPING TERMINAL (BST) WAREHOUSES 1 & 2 GUTTER REPLACEMENT.

Motion: Authorize the Interim Executive Director to execute a contract with Hytech Roofing, Inc. of Lynden, Washington, for the re-roofing of FMIP Building 6 and the BST Warehouses 1 & 2 Gutter Replacement projects in the amount of \$334,247.07 plus a 10% contingency for a total authorized contract amount of \$367,700; and transfer \$40,000 from CIP account 09-1811-29 to CIP account 09-1812-25.

Discussion: Maintenance Manager Mike Bozzo explained that the FMIP Building 6 roof and BST gutters have reached the end of their useful life and Hytec Roofing, Inc. was selected from the 5 submittals as the lowest responsive and responsible bidder for the project advertised.

Motion approved with 3-0 vote.

7. MODIFICATION OF LEASE AGREEMENT WITH WOODSTONE CORPORATION, INC.

Motion: Approval of a Modification of Lease Agreement between the Port of Bellingham (Port) and Wood Stone Corporation, Inc. (Wood Stone) for the premises located in the Airport Industrial Park.

Discussion: Real Estate Representative Steve Shipman explained that the Port entered into a forty (40) year Airport Industrial Park Ground Lease with Wood Stone in 2006 for approximately 3.5 acres adjoining their original lease site and the lease agreement provides for rent adjustments at five (5) year intervals and at any exercised renewal options as reflected in the proposed lease modification.

Motion approved with 3-0 vote.

WORK STUDY SESSION

1. Update - Airport 2011 Annual Noise Report.

General Aviation Administrator Emily Tuma presented an overview of the community expressed concerns and complaints received by staff surrounding the operations at the Bellingham International Airport (BLI). Specifically, Ms. Tuma reported that complaints (made by phone, online, email or verbal) are categorized into noise (level of sound generated by aircraft), activity (unusual frequency of aircraft traffic, helicopters, aerobatics and maintenance run-ups), route (planes not following voluntary noise abatement procedure or route) and other complaints such as odors and pollution detection. Ms. Tuma further reported that the staff investigates, verifies, logs and responds to each complaint received.

Ms. Tuma also presented an overview of the Noise Abatement Procedures, a 5 year History of Complaints (comparison by Operations and Aircraft Type) and the results of 2011 total complaints by operations and aircraft type, geographic location, time of day, and month. Ms. Tuma concluded by reporting that the total number of complaints received in 2011 (236 from 28 different households) was less than 1% of operations and the majority were during the busy traffic season. Two households in the Cliffside neighborhood accounted for 87% (206 out of the 236) of the total complaints received for 2011. Ms. Tuma concluded that complaints received from households south of the airport were largely regarding general aviation aircraft and route issues. Also, complaints mainly received north of the airport largely regarded commercial aircraft (63%) and noise issues (44%). Ms. Tuma added that pilots will continue to be educated on BLI's Noise Abatement Procedures.

Click here for presentation: <http://www.portofbellingham.com/DocumentCenter/View/1520>

2. Update - **Economic Development Fund**

Presentations were provided by five (5) economic development service program agencies that receive financial support from the Port. Present were:

- Diane Kamionka - Innovation Research Center
- Peggy Zorro - Northwest Economic Council
- Jennifer Shelton - WWU Small Business Development Center
- Meg Greenfield - WWU Center for Economic Vitality
- Sommer Cronck - Technology Alliance Group

Each presented an overview of their programs and their focus working with the Port, the community and each other. Economic Development Specialist Dodd Snodgrass also provided a brief update on the Port's new Associate Development Organization (ADO) role.

NEW BUSINESS

There was none.

ADJOURN

As there was no further business, the meeting was adjourned at 5:55 p.m.

Scott L. Walker, President

Michael McAuley, Secretary