

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, APRIL 20, 2010
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen Michael McAuley Scott L. Walker	President Vice President Secretary
Staff:	Fred J. Seeger Rob Fix Art Choat Mike Stoner Dan Stahl Sylvia Goodwin Lydia Bennett Carolyn Casey Carol Williams Adam Fulton Frank Chmelik Diane McClain	Interim Executive Director Chief Financial Officer Director, Aviation Director, Environmental Programs Director, Marine Services Director, Planning and Development Director, Real Estate Manager, Communications Supervisor, Maintenance Project Engineer Port Counsel Interim Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

At 1:00 p.m., Commissioner Jorgensen called the Commission meeting to order and immediately recessed to a closed executive session to discuss real estate transactions and pending litigation pursuant to RCW 42.30.110(1)(i) and (c). Commissioner Jorgensen noted that no formal action would be taken during the closed session and he expected the closed executive session to last approximately two hours.

RECONVENE PUBLIC MEETING

The Commission meeting was reconvened at 3:11 p.m.

PUBLIC COMMENT PERIOD

There was no public comment.

PRESENTATION

1. Port-wide Energy audit- Energy Savings Performance Contracting Program (ESPC)

Mr. Mike Stoner, Environmental Director, introduced Mr. Stuart Simpson, Energy Engineer, speaking on behalf of the General Administration (State of Washington) Energy Program.

Mr. Simpson outlined the Energy Savings Performance Contracting (ESPC) General Administration Energy Program as a method of identifying, constructing and financing energy and utility conservation projects using energy utility dollars saved and utility rebates to pay for the project costs. The lowest bid acceptance is not required and the owner is involved with the subcontractor and equipment selection. The program has over 20 years of performance contracting experience.

Under this program, the preliminary audit would be at no cost to the Port. Mr. Stoner reported the Port currently spends approximately \$855,000 annually on utilities: \$514,000 on energy, \$228,000 on water and \$113,000 on natural gas and suggested the Port may benefit by exploring what ESPC program has to offer.

2. BLI Commercial Terminal Expansion

Mr. Adam Fulton, Project Engineer, introduced Mr. Rob Ohm, Senior Project Engineer with URS + ZGA. Mr. Ohm provided an overview/update of the history, space requirements, scope (phasing and design issues), schedule and budget for the 2009-2010 Project Definition Study- Bellingham International Airport Passenger Terminal Expansion.

Mr. Ohm reported the aviation forecast for the Bellingham International Airport Terminal Expansion (which includes the 757 Aircraft) involves the following scope: Phase 1: Constructing a New Gate lobby which will add approximately 250 seats (nearly doubling the current seating capacity), Phase 2AA: Expanding the New Gate Lobby, Phase 2A: A new Baggage Claim and Baggage Screening Area, Phase 2B: Expanding the Baggage Claim-New Ticket Lobby, and Phase 2C: Remodeling the Non-Secure Lobby. The plan is to break ground in early fall. Cost estimates: \$26.0 million to \$26.3 million. Mr. Ohm recommended the schedule for this expansion to be as follows: Commit to scope, perform design development tasks (funded), complete construction documents (not funded), and award the bid in the fall of 2010 with completion of construction in the summer of 2011.

3. Marine Life Center

Ms. Carol Williams, Maintenance Supervisor, introduced Mr. David Green from the Marine Life Center Advisory Committee (a committee of the parent organization, Northwest Discovery Project). Mr. Green briefed the Commission on the history of the facility dating back to the April 16, 1987 dedication. Mr. Green quoted from a April 16, 1987 letter written by the Port's Executive Director at that time, Don Fleming- " The Port's primary interest in

establishing and maintaining this marine life tank is for the benefit and use by teachers and students in the Whatcom County area.” Mr. Green discussed the 1994 and 1999 renovations, operational history, attendance and community support from volunteers since the opening of the facility. Mr. Green and Mr. Bob Goodwin asked the Port to consider whether it wishes to continue with a service agreement vs. the current lease agreement with the Northwest Discovery Project (NWDP) for the Marine Life Center.

WORK STUDY SESSION

1. Update on the Waterfront District.

Mr. Mike Stoner, Port Environmental Director, (in keeping with providing regular updates on the Waterfront District to the Commission throughout the spring and summer) reported staff is working with the City and the public to address such infrastructure/design issues as the railroad relocation, Cornwall Bridge adjustment, Commercial Green and Central Avenues - in particular as access points to the property. Mr. Stoner reported there are multiple options/possibilities - complicated by a limited budget which is being adjusted to reflect the current economic situation.

The final EIS is still expected in May, along with responses to public comment received on draft documents. Development of the draft Master Plan and Development Regulations, working with the Waterfront Advisory Group (WAG) and the City is the current task. The Master Plan will describe five planning areas, roads and infrastructure, based on a 2009 street grid approved by both the Port and City, development character, land uses, densities, building heights and view corridors.

2. Update on the Communications Plan for The Waterfront District.

Carolyn Casey, Communications Manager, reported the staff has been working to develop good communication strategies and additional outreach opportunities in the community regarding the waterfront development. This is in response to the anticipated completion of the draft Master Plan and Commission direction at the annual Strategic Planning Retreat. Efforts are being made to reach people where they are by approaching various service groups, advisory groups, tenants and moorage customers in addition to posting updates to the website which provide news of the phasing of the project and basic elements and financial benefits of the project. The staff is working toward addressing the public's questions, misinformation/misconceptions regarding The Waterfront District Master Plan involvement and essentially making it easier for people to get information, get involved, and reconnect with their waterfront.

Toward that goal, plans are being made to restart the GP site tours - on foot and on bike - perhaps tying in with the Saturday Farmers' Market - encouraging the community to come and experience the site.

3. Quarterly Financial Report.

This agenda item was postponed due to time constraints.

NEW BUSINESS

1. ADMINISTRATION

1. Response to NOAA regarding the site selection process

Motion: Direct the Port staff to prepare a response to NOAA's "Analysis of a Practicable Alternative to the Port of Newport (Newport, OR) for the National Oceanic and Atmospheric Administration's Marine Operations Center- Pacific Lease Award" (the "Practicable Alternatives Analysis") dated March 22, 2010 to be signed by all three (3) Port Commissioners.

Discussion: Mr. Frank Chmelik, Port legal counsel, briefed the Commission on the Practicable Alternative analysis in which NOAA incorrectly concluded the Port's proposal is not a practicable alternative to the Port of Newport's proposal to build an entirely new pier structure, ignoring its own environmental analysis, incorrectly referring to the General Services Administration ("GSA") manual for floodplain guidance and asserting that the prospectus threshold is contained in its solicitation for offers ("SFO") or otherwise discussed in the solicitation process.

It is recommended that Port staff prepare a letter in response to be signed by all three Commissioners.

Motion approved with a 3-0 vote.

AVIATION

2. FAA Agreement: Non-Federal Reimbursement Agreement

Motion: Authorize the Interim Executive Director to execute a non-federal reimbursable agreement with the FAA in the amount of \$430,148.07. The agreement covers services provided by the FAA for the Runway and Taxiway Rehabilitation Project including Engineering, Construction, Installation, Inspection and Overhead.

Discussion: Mr. Art Choat, Aviation Director, reported the Commission previously awarded a bid for the runway and taxiway rehabilitation on March 16, 2010. The \$430,148.07 was included in the fiscal impact presented and approved by the Commission in the bid award (base bid and Alternative A) but was not included in the actual award. The March 16th action memo listed project costs as follows:

Commission Meeting Minutes

April 20, 2010

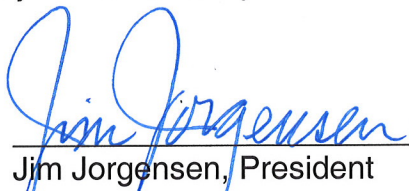
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Base Bid	\$16,123,936.81
Alternative A:	\$10,218,017.93
Reimbursable Agreement	\$ 430,148.07
Eligible Administrative Expenses	\$ 20,000.00

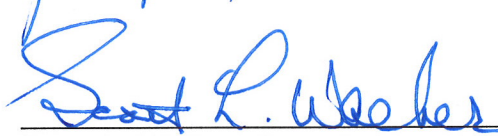
Motion approved with a 3-0 vote.

ADJOURN

As there was no further business, the meeting was adjourned at 5:30 p.m.



Jim Jorgensen, President



Scott L. Walker, Secretary