

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING  
HELD TUESDAY, JANUARY 3, 2012  
HARBOR CENTER BUILDING CONFERENCE ROOM  
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

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Present:	Scott L. Walker Michael McAuley	President Secretary
Staff:	Charlie Sheldon Rob Fix Dan Zenk Mike Stoner Fred J. Seeger Dan Stahl Sylvia Goodwin Lydia Bennett Carolyn Casey Elizabeth Monahan Ally Vincent Terry Ilahi Judy Harvey Shirley McFearin Frank Chmelik Diane McClain	Executive Director Chief Financial Officer Director, Aviation Director, Environmental Programs Director, Facilities Director, Marine Services Director, Planning and Development Director, Business Development Director, External Affairs Director, Human Resources Event Facility Coordinator Real Estate Analyst Real Estate Representative Real Estate Development Manager Port Counsel Executive Secretary

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### **CALL TO ORDER**

Commissioner McAuley called the meeting to order at 3:02 p.m. and announced that Commissioner Jorgensen was currently out of town and would not be in attendance.

### **PUBLIC COMMENT PERIOD**

1. Ken Hertz, 811 10<sup>th</sup>, Bellingham, WA - Mr. Hertz commented that he would like to see the Port Commission Board structure expanded from the current three (3) Commissioners to a board of five (5). Mr. Hertz further commented that he felt the Port is large and diverse enough to warrant a larger commission.

### **CONSENT AGENDA**

Motion: Approve Consent Agenda item A.

- A. Approve Voucher Certification November 2, 2011 - November 30, 2011, totaling \$2,406,844.67.

Motion approved with a 2-0 vote.

## **ACTION ITEMS**

### **1. RESOLUTION NO. 1106 N, DELEGATION OF POWERS.**

Motion: Approve Resolution No. 1106-N delegating certain administrative powers and duties to the Executive Director.

Discussion: Executive Director Charlie Sheldon reported that there were no changes made to Resolution No. 1106-M which sunsets on January 31, 2012, and Resolution No. 1106-N will extend the sunset date to January 31, 2013.

Motion approved with a 2-0 vote.

### **2. PROFESSIONAL SERVICES AGREEMENT (PSA) WITH VAN NESS FELDMAN P.C. FOR CONTINUED LEGAL COUNSEL ON THE BELLINGHAM WATERFRONT REDEVELOPMENT PROJECT.**

Motion: Authorize the Executive Director to execute a Professional Services Agreement (PSA), not to exceed \$30,000, with Van Ness Feldman P.C. to continue to provide legal counsel to the Port with regard to the redevelopment of Bellingham waterfront properties.

Discussion: Director of External Affairs Carolyn Casey reported that the Port has utilized Van Ness Feldman's services since 2005 and that attorney, Rick Agnew, along with his associates, has assisted the Port and the City in securing federal funding and legislation for the Bellingham Waterfront Redevelopment Projects. Ms. Casey further reported that the proposed scope of services for 2012 include assisting with identifying and securing sources of federal funding for the redevelopment of waterfront properties and transportation funding and providing legal counsel as needed for regulatory agency approval for assessment and cleanup actions.

Motion approved with a 2-0 vote.

### **3. RENTAL RATES FOR PORT CONFERENCE ROOMS & EVENT FACILITIES.**

Motion: Approval of a motion establishing 2012-2013 rental fees for Port facilities.

Discussion: Event Facility Coordinator Ally Vincent reported that the proposed 2012- 2013 rental rates for the Port's waterfront facilities are based on market comparison, the demand for facilities and fiscal management. Ms. Vincent also reported that the 2011 twenty-five percent discount for use by local businesses and the ability to book further in advance resulted in additional bookings and revenues. Ms. Vincent added that the focus in 2012 will be on increasing the use of Port facilities during weekdays, increasing bookings of lesser known Port facilities, and offering a reduced rate for the Blaine Boathouse.

Motion approved with a 2-0 vote.

#### **4. REIMBURSEMENT OPTIONS FOR TAX EXEMPT BONDS, PORT RESOLUTION NO.1183-I.**

Motion: Adopt Resolution No. 1183-I designating the Chief Financial Officer as the responsible official for the purpose of issuing statements of official intent to seek reimbursement of capital projects costs through the issuance of tax exempt bonds.

Discussion: Chief Financial Officer Rob Fix reported that the Commission adopted Resolution No. 1183-H last year designating the Chief Financial Officer as the official for issuing statements of official intent to seek reimbursement of capital projects costs through tax exempt bonds and that resolution sunset date is January 31, 2012. Mr. Fix further reported that the proposed Resolution No. 1183-I will extend the sunset date to January 31, 2013 with no changes made to the resolution other than extending the date.

Motion approved with a 2-0 vote.

#### **5. APPOINTMENT OF BELLINGHAM INTERNATIONAL AIRPORT ADVISORY COMMITTEE (BIACC) MEMBERS.**

Motion: Approve the appointment of seven (7) recommended candidates to serve on the Bellingham Advisory Committee BIACC committee for a term of three (3) years.

Discussion: Director of Aviation Dan Zenk explained that the function of the Bellingham International Airport Advisory Committee (BIACC) is to serve as an advisory board assisting Port staff in addressing concerns regarding policies, direction, and the impact of the airport on the Whatcom County community. Mr. Zenk further explained that the BIACC requested approval from the Commission in November, 2011 to solicit applications from the public to fill existing vacancies on the committee. Mr. Zenk added that the Port received three (3) qualified applications and one (1) deemed invalid; application was submitted for a position that is currently occupied.

Mr. Zenk further added that the seven (7) applicants/appointees the BIACC is recommending are incumbents Terry Asp (Control Tower), Scott Bethke (Corporate), Scott Plank (General Aviation), JF Vallee (County businessman), and new members Jason Hart (FBO), Bert Webber (Environmental), and Tom Schmidt (Air Cargo).

Motion approved with a 2-0 vote.

#### **6. 2012 LEGAL/MANAGEMENT SUPPORT SERVICES FOR THE ENVIRONMENTAL DIVISION.**

Motion: Authorize the Port's legal counsel to enter in to contracts with Anchor QEA, L.L.C. and other consultants (including Floyd-Snyder and Landau Associates, Inc.) to provide technical expertise in support of the legal work related to the Environmental Department up to a total of \$151,644.

Discussion: Director of Environmental Programs Mike Stoner explained that the Port's legal

counsel, Frank Chmelik, and other consultants have assisted staff in the management of cost recovery efforts, grant funding programs and negotiations with the Department of Ecology concerning agreed orders and consent decrees for the 20 state-listed Model Toxic Control Act (MTCA) sites since 1996. Mr. Stoner and Mr. Chmelik further explained that the Port's legal counsel has assisted staff in the management of claims processed through the Port's cost cap insurance policy with Chartis Insurance and that Port Resolution 1106 authorizes the Executive Director, in consultation with the Port's legal counsel, to retain experts for litigation support. They also reported that the State Auditor has expressed a preference that, given the scope of this budget item, the proposed action be approved by the Commission.

Motion approved with a 2-0 vote.

#### **7. NEW CAPITAL IMPROVEMENT PROJECT (CIP) ACCOUNT FOR THE DEMOLITION OF QUICKIE LIFTS 1 & 2.**

Motion: Approve the establishment of a new Capital Improvement Project (CIP) in the amount of \$23,866 for the demolition of Quickie Lifts #1 and #2 located at Squalicum Harbor, and authorize the transfer of \$23,866 from line item 106, "Gillnet LZ Float and Piling Repair" as the funding source for the new CIP project.

Discussion: Squalicum Harbormaster Mike Endsley explained that the two Quickie Lifts, located at Gate 8 and abandoned by a previous upland tenant, were deemed surplus to the Port and staff was given the authorization in 2011 to sell at public auction. Mr. Endsley further explained that because no bids were placed, Port staff is recommending demolition of both lifts and that up to 90 percent of the costs associated with the demolition may be eligible for reimbursement to the Port via the Department of Natural Resources' Derelict Vessel Removal Program.

Motion approved with a 2-0 vote.

#### **8. FISCAL YEAR 2012 PORT OF BELLINGHAM RENTAL REVENUE STANDARDS.**

Motion: Adopt the Port of Bellingham's Rental Revenue Standards for 2012.

Discussion: Real Estate Analyst Terry Ilahi explained that Resolution No. 1106 Delegation of Powers provides for the administrative approval of leases and other real property transactions provided there is a guideline setting rental revenue parameters in place. Mr. Ilahi further explained that on an annual basis, Port staff compares and reviews the range of total tenant cost and is recommending the current rate structure in the proposed guideline for fiscal year 2012 as shown in Appendix "A" be adopted. (See Attached Appendix A <http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=882> ).

Motion approved with a 2-0 vote.

#### **9. LIABILITY INSURANCE STANDARDS FOR THE PORT OF BELLINGHAM AGREEMENTS FOR 2012.**

Motion: Adopt the Liability Insurance Standards for Port of Bellingham Agreements for fiscal year 2012.

Discussion: Real Estate Analyst Terry Ilahi explained that since 2008, the Port Commission has approved annually, the Minimum Liability Insurance Standards for Port leases, property transactions, meetings and events, and corporate events (collectively, "Agreements") with a term of five (5) years or less (not including moorage insurance requirements covered in the Harbor Rules, Regulation and Procedures and adopted annually). Mr. Ilahi also reported that a new category in 2012, "License to operate ground transportation", has been added to the Minimum Liability Insurance Standards. Mr. Ilahi added that adherence to the insurance requirements in current Agreements will be enforced by the respective divisions with any deviations from the standards to be brought to the Commission for approval on a case by case basis.

Motion approved with a 2-0 vote.

#### **10. COMMERCIAL LEASE WITH REDDEN MARINE SUPPLY, INC. AT HARBOR MALL.**

Motion: Approve the Commercial Lease with Redden Marine Supply, Inc.

Discussion: Real Estate Representative Judy Harvey reported that the proposed commercial lease with Redden Marine Supply, Inc. will be for approximately 600 square feet at Harbor Mall, Suite 12, for use as professional office space. Ms. Harvey added that the term of the lease will be for one year with two one-year renewal options.

Motion approved with a 2-0 vote.

#### **10. INDEX INDUSTRIES, INC. - SUBSTANTIAL COMPLETION**

Motion: Approve a Modification of Lease with Index Industries Inc. to confirm substantial completion of the tenant improvement project at the 300 Harris Avenue property.

Discussion: Real Estate Development Manager Shirley McFearin reported that the proposed modification of the lease is due to the extended target completion date for the project. Ms. McFearin reported that the targeted date of the Port constructed improvements to the 300 Harris Avenue property was anticipated to be December 18, 2011; however, the substantial completion will actually occur in early January 2012, with the commencement date of the ten year term to be February 1, 2012.

Motion approved with a 2-0 vote.

#### **ADJOURN**

As there was no further business, the meeting was adjourned at 3:55 p.m.

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Scott Walker, President

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Michael McAuley, Secretary