

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, FEBRUARY 21, 2012
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Scott L. Walker Jim Jorgensen Michael McAuley	President Vice President Secretary
Staff:	Charlie Sheldon Rob Fix Fred J. Seeger Sylvia Goodwin Carolyn Casey Elizabeth Monahan Adam Fulton John Hergesheimer Frank Chmelik Diane McClain	Executive Director Chief Financial Officer, Deputy Director Director, Facilities Director, Planning and Development Director, External Affairs Director, Human Resources Senior Project Engineer Senior Project Engineer Port Counsel Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

Commissioner Walker called the meeting to order and reported the purpose of the closed session would be to discuss personnel matters pursuant to RCW 42.30.110(1) (g) and the closed session was expected to last approximately 1 ½ hours with no formal action to be taken by the Commission in the discussion.

RECONVENE PUBLIC MEETING AND IMMEDIATELY RECESS TO THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC) BOARD MEETING

Commissioner Walker called the meeting to order at 3:06 p.m. and immediately recessed the public meeting to open the Industrial Development Corporation (IDC) board meeting.

1. Minutes of the IDC Board Meetings.

Motion: Adopt the minutes of the December 20, 2011, and January 17, 2012, IDC Board Meetings.

Discussion: There was none.

Motion approved with a 3-0 vote.

2. Services Agreement with Western Washington University (WWU) for Economic Development Services.

Motion: Authorize the President of the IDC to sign a Service Agreement between the IDC and Western Washington University (WWU) for \$250,000 for a coordinated approach to funding and contracting with economic development service providers.

Discussion: Economic Development Specialist Dodd Snodgrass explained that the two

motions for economic development services before the Commission are specific to the service agreements directly between the Port and WWU and the Port and the NWEAC.

Commissioner McAuley commented that he was not comfortable funding the proposed motions for economic development services and remained unclear about the scope of work to be done and that has been done; specifically pertaining to jobs created and would like to see the motions postponed until there is a report on what work has been done. Chief Financial Officer Rob Fix responded that a presentation to the Commission could be arranged if the Commission requested. When asked by Commissioner Walker if delaying the approval of funding would create a problem, Mr. Fix reported the timing is such that the agreement with Western is currently not in force and not approving the agreement would make obtaining services difficult. Commissioner McAuley reported that he would prefer more time and Commissioner Walker moved that the motion pertaining to the contract with Western be removed from the agenda.

Motion to remove motion from the agenda approved: 3-0 vote.

3. Services Agreement with Northwest Economic Council (NWEAC) for Economic Development Services.

Motion: Authorize the President of the Port of Bellingham Industrial Corporation (IDC) to sign a Services Agreement between the Port of Bellingham IDC and Northwest Economic Council (NWEAC) for \$50,000 for a coordinated approach to funding and contracting with economic development service providers.

Discussion: In keeping with the earlier discussion of IDC item No. 2 and the Commission's request for more time and information regarding the proposed service agreements for economic development, Commissioner Walker moved that item no. 3- proposed service agreement with Northwest Economic Council (NWEAC) for economic development services also be pulled from the agenda until the next Commission meeting on March 6, 2012.

Motion to remove from the agenda approved. 3-0 vote.

CLOSE THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC) BOARD MEETING AND RECONVENE THE PUBLIC MEETING.

PUBLIC COMMENT PERIOD

No one signed up for public comment.

ACTION ITEMS

1. INTERLOCAL AGREEMENT WITH THE PORT OF TACOMA FOR FEDERAL AGENCY

PERMIT SUPPORT.

Motion: Authorize the Executive Director to execute an Interlocal Agreement with the Port of Tacoma for assistance in obtaining federal permits for new and existing capital and environmental remediation projects with a not to exceed amount of \$25,000.

Discussion: Director of Environmental Programs Mike Stoner explained that a program with the Port of Tacoma, NOAA Fisheries and USFWS, US Corp of Engineers allows for assistance with federal permitting and in particular, would be helpful with the Phase 1 of the Whatcom Waterway MTCA site cleanup, expected to be submitted later this spring. Mr. Stoner added that the hourly billing rate for the Port of Tacoma staff is \$68.21 plus a 35% overhead fee and the proposed draft interlocal for federal agency permit staffing support by and between the Port of Tacoma and the Port establishes a two year term and a not to exceed amount of \$25,000 for services.

Motion approved with a 3-0 vote.

2. BID AWARD FOR THE AIRPORT COMMERCIAL TERMINAL EXPANSION - PHASE II PROJECT.

Motion: Authorize the Executive Director to execute a contract with Dawson Construction, Inc. of Bellingham, Washington for the Airport Commercial Terminal Expansion - Phase II Project in the amount of \$16,154,128 plus a 5% contingency of \$807,706 for a total authorized contract amount of \$16,961,834.

Discussion: Senior Project Engineer Adam Fulton explained that in response to the significant growth of commercial aviation traffic at the Bellingham International Airport, Port staff designed and is currently implementing a phased construction expansion of the airport terminal. Mr. Fulton added that while the completed Phase I of the Commercial Terminal Expansion provided a larger gate lobby; the second and final phase of construction will add approximately 60,000 new square feet to the terminal and remodel the existing 27,000 square feet. Mr. Fulton further added that in response for the Port's request for bids, Dawson Construction, Inc. was selected as the lowest responsive and responsible bidder to complete the work including three proposed additive alternatives for the gate lobby, baggage claim and Terrazzo flooring.

Motion approved with a 3-0 vote.

3. WHATCOM COUNTY PERMIT FEES FOR AIRPORT COMMERCIAL TERMINAL EXPANSION PROJECT.

Motion: Authorize the Executive Director to execute all Whatcom County permitting requirements including the initial building fees for a not to exceed amount of \$90,000 for the Airport Commercial Terminal Expansion - Phase II Project.

Discussion: Senior Project Engineer Adam Fulton explained that the required permit fees for Phase II of the Commercial Terminal Expansion project payable to Whatcom County are larger than normal due to the size of the project. The amount is not to exceed \$90,000. Mr. Fulton added that even though Port Resolution No. 1106N authorizes the Executive Director

to execute this without Commission approval, Port staff sought to update the Commission of this project cost and gain approval to proceed.

Motion approved with a 3-0 vote.

4. AMENDMENT NO. 6 TO THE PROFESSIONAL SERVICES AGREEMENT WITH URS CORPORATION FOR THE COMMERCIAL TERMINAL EXPANSION PROJECT.

Motion: Authorize the Executive Director to amend the Professional Services Agreement (PSA) with URS Corporation to perform construction management services for 2012 on the Airport Commercial Terminal Expansion - Phase II Project in the amount of \$794, for a total authorized PSA of \$4,804,914.

Discussion: Senior Project Engineer Adam Fulton explained that the original scope of work approved in 2009 provided an overall main terminal conceptual design and that there have been multiple subsequent amendments approved since. Mr. Fulton added that the proposed amendment before the Commission is for construction management and design services for the conveyer systems which will bid later this year.

Motion approved with a 3-0 vote.

5. PROFESSIONAL SERVICES AGREEMENT WITH GEO TEST SERVICES, INC. FOR THE AIRPORT COMMERCIAL TERMINAL EXPANSION - PHASE II PROJECT .

Motion: Authorize the Executive Director to execute a Professional Services Agreement (PSA) with Geo Test Services, Inc. to perform special inspections for the Airport Commercial Terminal Expansion - Phase Two Project in the amount of \$98,370 plus a 10% contingency of \$9,837 for a total authorized PSA amount of \$108,207.

Discussion: Senior Project Engineer Adam Fulton explained that the building permit for the Airport Commercial Terminal Expansion Phase II project issued by Whatcom County will require special inspections on gravel and asphalt compaction, concrete strength and flatness, as well as inspections of the fabricated steel, field welding and high-strength bolting testing. Mr. Fulton further explained that Port staff issued a Request for Personal Services to assist with this scope of work and of the four responses received; Geo Test Services, Inc. was selected as the most qualified firm to perform these services.

Motion approved with a 3-0 vote.

6. CONTRACT AND BUDGET INCREASE FOR THE 300 HARRIS AVENUE TENANT IMPROVEMENTS PROJECT.

Motion: Authorize the Executive Director to increase the total authorized contract amount with Faber Construction by \$10,000 from \$2,429,100 to \$2,439,100; and to increase the overall project budget for the 300 Harris Avenue Tenant Improvements Project from \$2,940,000 to \$2,950,000.

Discussion: Senior Project Engineer Adam Fulton explained that the proposed increase is necessary to bring the non-potable water system into code compliance for the 300 Harris Avenue facility.

Motion approved with a 3-0 vote.

7. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH CH2M/HILL FOR THE SLATER ROAD OFF-SITE WETLAND MITIGATION PROJECT.

Motion: Authorize the Executive Director to approve PSA Amendment No. 4 with CH2M/HILL for the final design coordination and bidding support services for the Slater Road Off-Site Wetland Mitigation Project in the added amount of \$22,052 for a total authorized contract amount of \$342,675.

Discussion: Senior Project Engineer John Hergesheimer explained that the proposed amendment is for authorization to complete the design, permitting and bid support necessary to obtain approval for Addendum No. 2 to the Corps Permit and Ecology Water Quality Certification. Mr. Hergesheimer further explained the proposed amendment represents the next step in the over 10-year long effort to provide mitigation of wetlands impacted by airport-related land development.

Motion approved with a 3-0 vote.

8. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH URS FOR THE PHASE I GENERAL AVIATION APRON DESIGN PROJECT.

Motion: Authorize the Executive Director to approve PSA Amendment No. 1 with URS for the General Aviation Apron Design Project in the added amount of \$41,720 for a total authorized amount of \$241,720.

Discussion: Senior Project Engineer John Hergesheimer explained that the proposed amendment would improve the airport's de-icing system and add concrete pavement at the General Aviation area for a plane wash station and fuel truck parking area spill containment system. Mr. Hergesheimer further explained that the amendment is needed to provide the update to the FAA for the Port's Disadvantaged Business Enterprise (DBE) plan; required by the FAA as a condition of the FAA grant.

Motion approved with a 3-0 vote.

9. INTERLOCAL AGREEMENT FOR THE I-5/WEST BAKERVIEW OVERPASS FUNDING.

Motion: Authorize the Executive Director to execute an Interlocal Funding Agreement between the City of Bellingham, Port of Bellingham and Whatcom County for the West Bakerview Overpass Project (the "Interlocal").

Discussion: Director of Planning Sylvia Goodwin explained that the Port of Bellingham worked cooperatively with the City of Bellingham, Whatcom County and Washington State Department of Transportation to design a comprehensive set of improvements to the I-5/ West Bakerview interchange, estimated to cost \$3.2 Million. Ms. Goodwin added that the City of Bellingham obtained a \$1,500,000 Transportation Improvement Board (TIB) grant, an Economic Development Investment (EDI) loan of \$650,000 and contributed \$ 250,000 in Traffic Impact fees. Ms. Goodwin further added that the State DOT, Whatcom County and Fred Meyer each agreed to contribute \$100,000 and in August of 2011, the Port Commission

authorized a letter of support for the TIB grant and committed \$500,000 toward the project local match. Ms. Goodwin also explained that the interchange is reaching capacity during peak traffic hours and impacting access to the Bellingham International Airport and adjacent industrial business properties. Ms. Goodwin added that upon execution of and compliance with the proposed Interlocal, Whatcom County has agreed to consider Phase 1 of the mitigation requirements satisfied for the purposes of issuing Airport terminal building permits, Certificate of Transportation Capacity and other development permits consistent with Phase I of the Airport General Binding Site Plan, allowing for the terminal project to stay on schedule.

Motion approved with a 3-0 vote.

WORK-STUDY SESSION

1. Update - **Westman Marine.**
2. Update - **Blaine Marina Tank Farm.**

Discussion: Director of Environmental Programs Mike Stoner presented an overview of the environmental cleanup status of both the Westman Marine and Blaine Marina Tank Farm, both identified by Ecology as Model Toxic Control Act (MTCA) sites; Westman Marine being the larger and more complicated of the two involving a shipyard and upland and marine sediments contaminations. Mr. Stoner reported both sites will involve a Remedial Investigation/Feasibility Study (RI/FS) resulting in a preferred alternative as well as the cleanup action, Agreed Order and 30 day public comment period. Mr. Stoner added that the draft Agreed Order leading to an Interim Action plan for the Blaine Marina Tank Farm site may be ready in early March and Landau Associates, Reid Middleton will provide consulting assistance to the Port for both sites.

Click here for PowerPoint presentation:

<http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=924>

3. Update - Marine Ladders at Squalicum and Blaine Marinas.

Squalicum Harbormaster Mike Endsley reported that Port staff and Marina Advisory Committee (MAC) members have been reviewing the Marinas safety program and in addition to increasing boater education, signage and awareness, the group is recommending adding ladders to the marinas as a safety measure, though ladders are not a requirement. Mr. Endsley further reported that the group has identified a couple of different styles of ladders that would work well within the marinas and the group is recommending both styles (100 ladders in Blaine and 100 ladders in Squalicum) be purchased at an estimated cost ranging from \$100,00 to \$130,000.

Click here for PowerPoint presentation:

<http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=925>

NEW BUSINESS

- Commissioner Walker requested a continuation of the Executive Director's performance evaluation be scheduled for the next Commission meeting closed session.
- Commissioner McAuley requested a break down on 2012 Port Corporate Events costs.
- Commissioner McAuley inquired about the Firebelle and recent discussion at the Marina Advisory Committee (MAC) meeting, and their request for further dialog with the City and the County, given that they both receive leasehold tax revenue from Port tenants, including our boaters. Maritime Director Dan Stahl and Commissioner Walker then discussed the Port's history of installing of stand pipes on all of our marina floats, in compliance with the local building code.

ADJOURN

As there was no further business, the meeting was adjourned at 4:30 p.m.

Scott L. Walker, President

Michael McAuley, Secretary