

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, MARCH 5, 2013
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

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

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| Staff: | Rob Fix | 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 |
| | Tamara Sobjack | Finance Director |
| | Elizabeth Monahan | Human Resources Director |
| | Dan Stahl | Maritime Director |
| | Sylvia Goodwin | Planning and Development Director |
| | Shirley McFearin | Real Estate Director |
| | Adam Fulton | Senior Project Engineer |
| | Terry Ilahi | Real Estate Analyst |
| | Frank Chmelik | Port Counsel |
| | Diane McClain | Executive Secretary |

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

Commissioner Walker called the meeting to order at 12:30 p. m. to report that the purpose of the closed session would be to discuss real estate transactions, collective bargaining and pending litigation pursuant to RCW 42.30.110(1) (c),(i) and RCW 42.30.140.

RECONVENE PUBLIC MEETING AND ROLL CALL

Commissioner Walker called the meeting to order at 3:05 p. m.

PUBLIC COMMENT PERIOD

No one signed up for the public comment period.

CONSENT AGENDA

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| A. | Approve the minutes of the February 5, 2013, and February 19, 2013, Regular Commission Meetings. |
| B. | Voucher Certification and Approval for period February 2, 2013 – February 27, 2013. |

ACTION ITEMS:

1. PERSONAL 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 Personal Services Agreement (PSA) not to exceed \$30,000, with Van Ness Feldman P.C. for legal counsel to the Port with regard to the redevelopment of Bellingham waterfront properties.

Discussion: External Affairs Director Carolyn Casey reported that since acquiring the Georgia Pacific site in 2005, Van Ness Feldman has provided legal counsel to the Port and the City of Bellingham. Ms. Casey further reported that during the first five years, the Port and City split the legal costs while working together on legislative and funding efforts with regard to the Bellingham Waterfront Redevelopment Projects. Ms. Casey added that in 2010, the two entities agreed to continue working together in these efforts but for cost and project management purposes, each party will enter into independent contracts with Van Ness Feldman. Ms. Casey noted that although the contract is for \$30,000, the Port will only pay for the actual hours of service used.

Motion approved with 3-0 vote.

2. ESTABLISH 2013 AND 2014 RENTAL RATES FOR BAYVIEW BALLROOM AT TOM GLENN COMMONS.

Motion: Approval of a motion establishing Bayview Ballroom rental fees for 2013 and 2014 as shown on rate sheet.

Discussion: Event Facility Coordinator Ally Vincent explained that when the Port acquired the Bayview Office Center office building at 12 Bellwether Way on December 18, 2012, the executed Purchase and Sale Agreement included provisions for use of the Ballroom by both the Port meetings and events program and the previous owner, Bellwether Harbor Investments. Ms. Vincent added that the Ballroom will be added to the list of other Port owned rental facilities currently managed by the Meetings and Event staff and that the proposed 2013 and 2014 rental rates for booking the Ballroom are based on market comparison and asset value.

Motion approved with 3-0 vote.

3. CHANGE ORDER NO. 1 FOR THE AIRPORT COMMERCIAL TERMINAL EXPANSION (ACTE) BAGGAGE HANDLING SYSTEM CONTRACT INCREASE.

Motion: Authorize an increase to the total authorized contract amount with Glidepath, LLC on the Airport Commercial Terminal Expansion (ACTE)- Baggage Handling System project in the amount of Change Order N. 1 which is valued at \$876,584.57, plus a 5% contingency, for a new total authorized contract amount of \$3,746,564.49.

Discussion: Senior Project Engineer Adam Fulton explained that the proposed change order is the result of TSA required changes to the Baggage Handling System (BHS) that the Port

then sent to Glidepath, contractor on the ACTE site. Mr. Fulton added that subsequent to 95% cost reimbursement approval from the TSA, Port staff, under the advisement of legal counsel, is recommending approval of the change order and that the proposed scope of work and price has been reviewed and recommended by ACTE design and estimating consultants URS.

Motion approved with 3-0 vote.

4. AMENDMENT NO. 5 TO THE PROFESSIONAL SERVICES AGREEMENT WITH URS FOR THE GENERAL AVIATION APRON REHAB AREAS 3 & 4 DESIGN AND GATE 8 RAMP PROJECT ADDITIONAL CONSTRUCTION SUPPORT FEES.

Motion: Authorize the Executive Director to execute Amendment No. 5 to the Professional Services Agreement (PSA) with URS for General Aviation Areas 3 & 4 and additional construction support service fee for the Gate 8 Commercial Ramp Project in the total amount of \$388,727.70, plus an additional contingency of \$39,000 for a revised total authorized contract amount of \$1,120,500.70. Also, revise the 2013 Capital Budget by the advancement of the GA Areas 3& 4 construction budget line items 21, 22, 31 & 32 from year 2014 to year 2013, and the shifting of the Remain Overnight (RON) construction budget line items 25 & 26 from year 2013 to year 2014. The PSA Amendment is subject to FAA concurrence, which is pending.

Discussion: Senior Project John Hergesheimer explained that in 2012, through the Port's standard selection process, URS was selected as the most qualified firm to provide engineering consulting and support services for the multi-year General Aviation Area Rehabilitation project. Mr. Hergesheimer further explained that the proposed amendment includes the design and construction support services for the replacement of drainage systems, full pavement replacement, minor pavement repairs, and a combination plane wash/deicing pad facility, fuel spill containment system at the self-fueling station, and update of the FAA required DBE Plan. This project involves FAA grant AIP 50 & 51.

Motion approved with 3-0 vote.

5. AMENDMENT NO. 30 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ANCHOR QEA FOR PHASE ONE WHATCOM WATERWAY CLEANUP PROJECT.

Motion: Authorize the Executive Director to execute Professional Services Agreement (PSA) Amendment No. 30 with Anchor QEA for additional design and permitting services for Phase One of the Whatcom Waterway Cleanup Project, in the amount of \$403,732, plus a contingency of \$40,000, for a total authorized contract amount of \$8,272,793.50 and authorize the use of \$200,000 from CIP line item 267, Infrastructure for this project.

Discussion: Senior Project Engineer John Hergesheimer reported that the proposed amendment with Anchor includes additional engineering design, permitting, regulatory agency coordination and project management support for the Whatcom Waterway cleanup site and the cost of this additional work is eligible for funding up to 50% of eligible costs under an existing Model Toxics Control Act (MTCA) grant and a portion of the work may also be funded through the Port's AIG environmental insurance policy.

March 5, 2013

Page 4

Motion approved with 3-0 vote.

6. RENEWAL AND MODIFICATION OF LEASE WITH NORMAN M. WALSH, D/B/A WALSH MARINE FOR PROPERTY AT 218 MCMILLAN AVENUE, BLAINE HARBOR.

Motion: Approval of a Renewal & Modification of Lease between the Port of Bellingham and Norman Walsh, d/b/a Walsh Marine for property located at 218McMillan Avenue, Blaine, Washington.

Discussion: Real Estate Analyst Terry Ilahi explained that in January 2011, the Port entered into a month to month agreement with Walsh Marine for the property formerly leased to Westman Marine. Mr. Ilahi further explained that the property being leased is also a historical environmental contamination site included in the Agreed Order the Port entered into with Washington State Department of Ecology for a Remedial Investigation Feasibility (RI/FS). Mr. Ilahi added that the proposed lease is for a term of two (2) years with an option to renew for another two (2) years and that Walsh Marine has requested to remain on premises during the RI/FS process, and may submit a response to the Request for Proposal and Qualifications (RFP/Q) for a long-term boat yard operator the Port intends to issue upon completion of the RI/FS.

Motion approved with 3-0 vote.

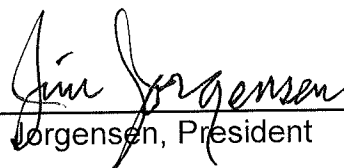
NEW BUSINESS

The Commission discussed a letter they received from Phil Riise of Seaview North emphasizing a "level playing field" as being critical when setting rental rates for all Port tenants. Executive Director Rob Fix added that staff is preparing a response to Mr. Riise and will continue to work with the Seaview North, Colony Wharf and BMI tenants while keeping the Commission updated.

Commissioner Walker inquired and Mr. Fix answered questions regarding the Port's computer / server expenses and replacement schedules.

ADJOURN

As there was no further business, the meeting was adjourned at 4:20 p.m.



Jim Jorgensen, President



Scott L. Walker, Secretary