



March 19, 2013

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- A. Approval of Lease between the Port of Bellingham and I.C.E. Professional Services LLC at the Bayview Center Building.
- B. Approval of a Consent to Assignment of Rental Agreement between Washington Windsports, Inc. (WWS) and Catherine and Todd Buckley (Buckley).
- C. Approval of lease agreements between the Port of Bellingham and Wise Enterprises LLC for parcels located in the Airport Industrial Park as follows: 1) Modification of Lease Agreement for Parcel 31A 2) Renewal and Modification of Lease for Parcel 8A 3) Renewal and Modification of Lease for Parcel 5A.
- D. Approval of Consent to Assignment of Lease Agreement between Wise Enterprises, LLC (Wise) and Shintaffer Family Partnership (SFP- Sound Beverage Distributors).

Discussion: None.

Motion approved with 3-0 vote.

### **WORK STUDY ITEMS:**

1. **Update - Bellingham Whatcom Tourism** – External Affairs Director Carolyn Casey introduced speaker Loni Rahm, President & CEO of the Bellingham Whatcom County Tourism board. Ms. Rahm provided an overview of the benefits to Whatcom County as a direct result of tourists visiting the area. Ms. Rahm reported \$595.5 Million in travel spending, up 10.3% in 2012, 6,080 local jobs, up 4.4 %, \$8.2 Million in local tax contributions, up 10.5%, \$25.2 Million in state taxes, up 8.2%. Ms. Rahm spoke of the key audiences coming from lower BC, Seattle area, WWU alumni, feeder markets and travelers arriving through destination gateways: Cruise Terminal, Amtrak/Greyhound, Marinas and Bellingham International (BLI) Airport. Ms. Rahm acknowledged the 50<sup>th</sup> year celebration of the Alaska Marine Highway at the Bellingham Cruise Terminal and explained the successful new Ambassador Program started in January, volunteers greeting and assisting 700 - 900 BLI terminal passengers monthly, acting as liaisons, offering customer service pertaining to attractions/ destinations and accommodations in the area, encouraging future/ return visits.
2. **Update - Safety Committee-** Human Resources Director Elizabeth Monahan reported that she and the other Safety Committee members Mike Bozzo, Joey Burke, Neil Clement, Brian Gouran, Heather MacKay, Roland Montoure, Dennis Partlow, Fred Seeger, Steve Shipman, Joe Spencer, Bill Vonk, Chris Tibbe, and Carlos Laverty meet monthly to discuss safety activities, concerns and accidents and training. Ms. Monahan reviewed the Port's Recordable Incident Rates over the past five (5) years. Ms. Monahan further reported that the 2013 Safety Goals include: a recordable incident rate of less than 1.00, complete blood-borne pathogens plan and training, all employee meetings to open with safety awareness, begin a wellness program and continue conducting Port wide safety training. Commissioner Walker asked that the Commission be apprised of any OSHA recordable incidents as they occur and that all incidents are included in the Quarterly Financial updates.

3. **Update - Blaine Marine Industrial Area-** Planning and Development Director Sylvia Goodwin presented an update on the existing conditions and the proposed draft land use plan for the Blaine Marina Industrial Area which will require coordination with multiple current and long range environmental cleanup actions and potential infrastructure projects. Some of the proposed projects being considered are maximizing the boatyard and replacement of the marine railway, Boundary Fish expansion plans, transportation circulation and parking improvements, relocation of the fueling facility, Webhouse demolition or relocation, bulkhead , sawtooth dock, and other pier and float repairs or replacements.
  
4. **Update - Airport Binding Site Plan -** After receiving a Minor Amendment Determination from Whatcom County upon updating Port projections with the most recent passenger enplanement estimates and US Army Corp approval of the Slater Road off-site Wetland Mitigation Plan, Planning and Development Director Sylvia Goodwin presented an update on the phased Bellingham International Airport (BLI) final general Binding Site Plan (BSP) and Planned Unit Development (PUD) to be submitted to the County for approval later this summer. Ms. Goodwin reported on the progress of the 2010 Mitigation requirements including the completion of the Phase 1 off-site wetland mitigation at Slater Road, the construction of stormwater improvements at the Southwest Pond, and the design of the Alderwood Pond. Traffic mitigation includes the Bakerview Interchange project and Airport Drive/ Airport Way improvements. The Bakerview Interchange project is currently out to bid for construction. As outlined in the Interlocal Agreement with the City and County, the Port's second and final installment of \$250,000 will be due to the City within 30 days of being invoiced and following the awarding of the construction contract. Ms. Goodwin further reported that additional traffic mitigation at Airport Way/Airport Drive Intersection will be required in the near future, preliminary design of the Airport Dr./Airport Way improvements is anticipated to be sufficiently underway to provide construction cost estimates later this year for Commission consideration during this upcoming year's budget process, as well as, any Phase 1 sidewalks which may be required prior to development of any Phase 2 sites within the General Binding Site Plan boundary.

**ACTION ITEMS:**

**1. FOREIGN TRADE ZONE (FTZ) OPERATIONS AGREEMENT WITH T. C. TRADING COMPANY, INC..**

Motion: Approve and execute a Foreign Trade Subzone Operations Agreement between the Port of Bellingham (FTZ Grantee) and T.C. Trading Company Inc. (Subzone Operator).

Discussion: Economic Development Specialist and FTZ Administrator Dodd Snodgrass explained that the Port in support of economic development, serves as a grantee /sponsor of companies interested in operating in the Whatcom County Foreign Trade Zone #129 and benefiting from customs relief. T.C. Trading, a warehouse, distribution center in Blaine, approached the Port in 2012 to apply for the program and to enter into an Operations Agreement with the Port. Mr. Snodgrass further explained that upon approval, the Port will receive \$2,500 for the one time application and activation fees, another \$2,500 in June 2013, and \$5,000 annually until 2019, at which time the annual fee may be renegotiated.

Motion approved with 3-0 vote.

## **2. PROJECT APPROVAL FOR PORT SMALL CITY ECONOMIC DEVELOPMENT FUNDS.**

Motion: Approve the funding of five (5) small City Economic Development Fund projects.

Discussion: Economic Development Specialist Dodd Snodgrass explained that the Port's 2013 Economic Development Budget includes \$80,000 to assist small cities with matching funds to benefit economic development/ project implementation. Mr. Snodgrass further added that the applications reviewed by Port staff and the Small Cities Partnership total \$80,000 in matching funds to be used for the following five (5) cities' projects: Blaine: \$15,000 for consulting services to determine vision, goals & specific strategies for industrial areas, in particular the Gateway Zone (former airport area), Everson: \$15,000 for legal and survey services in support of a Transportation Improvement Board grant for road construction on Lincoln Street, Ferndale: \$17,500 for concept design and traffic modeling feasibility study of new roundabouts in the Slater/Rural Avenue area off I-5, as well as northbound access to Bellingham International Airport (BLI), Lynden: \$17,500 for engineering and permitting services in support of Riverview Road and Hannegan Road connection, and Nooksack: \$15,000 for the Wastewater Treatment Plant upgrade engineering and design services. The Commission spoke in favor of continuing the matching program in support of funding of small cities projects.

Motion approved with 3-0 vote.

## **3. FUNDING AND PARTICIPATION AGREEMENT FOR THE HARRIS AVENUE SHIPYARD SITE.**

Motion: Authorize the Executive Director to execute a Funding and Participation Agreement with Univar USA, Inc. ("Univar"), under which Univar contributes 40% of the cost to complete a Remedial Investigation/Feasibility Study (RI/FS) and draft Cleanup Action Plan (CAP) for the Harris Avenue Shipyard site for an estimated contribution of \$304,358.

Discussion: Environmental Director Mike Stoner explained that the Harris Avenue Shipyard in operation since 1916 is part of a historic contamination Model Toxics Control Act (MTCA) site for which the Port is performing an RI/FS under an Agreed Order with the Department of Ecology. Mr. Stoner further explained that the estimated total cost for completing the RI/FS and CAP will be over \$500,000 and under the proposed funding and participation agreement, Univar has agreed to pay a total contribution of \$304,358. Mr. Stoner added that the existing MTCA site grant with Ecology is expected to cover 50% of the Port's remaining costs.

Motion approved with 3-0 vote.

## **4. MODIFICATION OF LEASE AGREEMENT FOR SCOTTY BROWNS.**

Motion: Approval of a Modification of Lease Agreement between the Port of Bellingham and Brown's Airport Restaurant, LLC d/b/a Scotty Browns.

Discussion: Real Estate Representative Steve Shipman explained that the Port entered into a five (5) year lease agreement in 2011 with Scotty Browns for approximately 1400 square feet in the airport's Main Passenger Terminal for the operation of a food and beverage service. The Lease provides for a right of first refusal to expand the food and beverage by an additional 526 square. The proposed lease modification will add 526 square feet of restaurant space and will also add approximately 600 square feet of space for use as an office and storage space.

Motion approved with 3-0 vote.

#### **5. NEW LEASE FOR HALIBUT HENRY'S LLC AT THE AIRPORT MAIN TERMINAL.**

Motion: Approval of a new Lease Agreement between the Port of Bellingham and Halibut Henry's LLC.

Discussion: This item was pulled from agenda until a later date. No action taken.

#### **6. AIRPORT COMMERCIAL TERMINAL EXPANSION PHASE TWO- CONTRACT INCREASE FOR CHANGE ORDER NO 11.**

Motion: Authorize an increase to the total authorized contract amount with Dawson Construction on the Airport Commercial Terminal Expansion – Phase Two project for Transportation Security Administration reimbursable work in the amount of Change Order No. 11 which is valued at \$32,121.08 for a new total authorized contract amount of \$17,463,330.85.

Discussion: Senior Project Engineer Adam Fulton explained that the Port and the Transportation Security Administration (TSA) have an Other Transactions Agreement (OTA) in place and that the proposed change order is the third of several being required by the TSA and the associated costs are eligible to be reimbursed 95% by the TSA. Mr. Fulton added that the scope of work includes revisions to the sprinklers, walls, restrooms, and ceiling changes on the Checked Baggage Inspection System and outbound handling system as required by the TSA.

Motion approved with 3-0 vote.

#### **7. AIRPORT COMMERCIAL TERMINAL EXPANSION PHASE TWO- CONTRACT INCREASE FOR CHANGE ORDER NO 12.**

Motion: Authorize an increase to the total authorized contract amount with Dawson Construction on the Airport Commercial Terminal Expansion – Phase Two project for Transportation Security Administration for tenant reimbursable work in the amount of Change Order No. 12 which is valued at \$32,005.88 for a new total authorized contract amount of \$17,495,336.73.

Discussion: Senior Project Engineer Adam Fulton explained that the proposed change order is for generic work required for this tenant suite. A lease has not been signed to date;

however it appears that Halibut Henry's is the likely lease candidate for this suite. This work includes placing utilities under the floor slab which was done months ago."

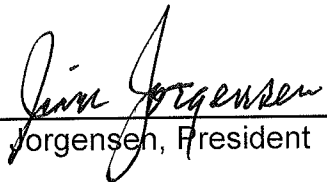
Motion approved with 3-0 vote

**NEW BUSINESS**

Commissioner McAuley presented to the other Commissioners a draft of a letter that he plans to sign and send in support of (Substitute House Bill) SHB 107.

**ADJOURN**

As there was no further business, the meeting was adjourned at 5:00 p.m.

  
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Jim Jorgensen, President

  
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Scott L. Walker, Secretary