

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, JUNE 18, 2013
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen	President
	Michael McAuley	Vice President
	Scott L. Walker	Secretary
Staff:	Rob Fix	Executive Director
	Lydia Bennett	Business Development Director
	Carolyn Casey	External Affairs Director
	Fred Seeger	Facilities Director
	Dan Stahl	Maritime Director
	Mike Stoner	Environmental Director
	Tamara Sobjack	Finance Director
	Elizabeth Monahan	Human Resources Director
	Sylvia Goodwin	Planning and Development Director
	Shirley McFearin	Real Estate Director
	Daniel Zenk	Aviation Director
	Dodd Snodgrass	Economic Development Specialist
	John Michener	Economic Development Specialist
	Steve Shipman	Real Estate Representative
	Adam Fulton	Senior Project Engineer
	John Hergesheimer	Senior Project Engineer
	Norman Gilbert	Project Engineer
	Frank Chmelik	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

Commissioner Jorgensen called the meeting to order at 1:30 p. m. to report that the purpose of the closed session would be to discuss real estate transactions pursuant to RCW 42.30.110(1) (c).

RECONVENE PUBLIC MEETING AND ROLL CALL

Commissioner Jorgensen called the meeting to order at approximately 3:00 p. m.

PUBLIC COMMENT PERIOD

1. Matt Paskus, 1151 Old Marine Drive, Bellingham, WA – Airport – Mr. Paskus spoke of the Airport master plan, preference for no further airport activity to preserve the area, BIAAC committee and mission statement, and SeaTac airport.

CONSENT AGENDA

Motion: Approve Consent Agenda items A – E as follows:

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- A. Approve the sale of vessel pursuant to Resolution No. 947.
- B. Approval of Resolution No. 1319 Declaring Surplus and Selling of Boathouse 4M-09 at Blaine Harbor Marina as surplus and authorize staff to sell the structure.
- C. Authorize the Executive Director to execute a Use Permit with the Bellingham Sailing Foundation for the Bellingham Sailing Program at Zuanich Point Park Day Dock.
- D. Approval of a Renewal and Modification of Lease between the Port of Bellingham and NautiGirl Brands LLC at the Bayview Center Building.
- E. Approval of a Renewal and Modification of Lease between the Port of Bellingham and Bayside Therapy Associates, LLC at the Bayview Center Building.

Discussion: Commissioner McAuley asked for clarification and Maritime Director Dan Stahl explained the Port's policy pertaining to the selling of vessels.

Motion approved with 3-0 vote.

ACTION ITEMS:

1. WESTERN CROSSING MEMORANDUM OF UNDERSTANDING (MOU)

Motion: Approve a Memorandum of Understanding (MOU) between Western Washington University (WWU), the Port of Bellingham, and Western Crossing Development (WCD) to develop an agreement to facilitate the creation of WWU facilities within the Waterfront District

Discussion: Executive Director Rob Fix reported that the development entity, Western Crossings Development (WCD), a non-profit corporation, was created in 2009 for the purpose of facilitating the planning of a public/private waterfront development within the Waterfront District. The five member board consists of 2 from the Port (Commissioner Scott Walker and Executive Director Rob Fix), 2 from WWU (Trustee Peggy Zorro, President Bruce Shepard) and 1 from the community (currently Glenn Butler, Retired from ARCO Cherry Point). Mr. Fix further reported that the proposed MOU between WWU, the Port and WCD provides an outline for a conceptual agreement that will allow WWU to transfer its ownership of approximately 24 acres of land at the southeast corner of Bakerview and Hannegan Roads into WCD, whereby WCD would sell the land at market prices and the value of the sale would be credited to WWU's capital account within WCD to be used towards the development concepts. Mr. Fix added that the proposed MOU would also allow the Port to contribute approximately 6 acres with the Waterfront District to the WCD; the true and full value of this parcel to be mutually determined by the Port and WWU and credited to the Port's capital account within the WCD. This MOU and all development is reliant upon the approval by the Port and City of Bellingham of the Waterfront District Master Plan and related agreements and regulations. Commissioner McAuley expressed concern as to the broadness of the agreement without inclusion of a specific planned development.

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Motion approved with 2-1 vote. Commissioners Jorgensen and Walker voted in favor; Commissioner McAuley voted against.

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2. CONSENT TO ASSIGNMENT OF LEASE – SKM ENTERPRISES LLC TO LOTUS BLOSSOM CORP D/B/A ZAZEN SALON SPA

Motion : Approval of the Consent to Assignment of Lease from SKM Enterprises, LLC to Lotus Blossom Corp d/b/a Zazen Salon Spa.

Discussion: Real Estate Representative Judy Harvey explained that the Port entered into a Business and Retail Center Lease Agreement in December 1999. SKM Enterprises LLC managing member, Karen Moore, is pursuing other interests and has requested the lease for the # 11 Bellwether, Suite 102, Bellingham, Washington premises be assigned to Susan Fox, President Lotus Blossom Corp.

Motion approved with 3-0 vote.

WORK STUDY ITEMS

1. Update – City of Bellingham, Planning Commission - Review of Waterfront District planning Documents

Port staff provided a summary of the City's Planning Commission recommendations for the Waterfront District planning documents. Mike Stoner, Environmental Director, reported that the Planning Commission held 2 public hearings and 8 work sessions between March 12 and June 6. The main themes that they heard from the public were support for a working waterfront, safe and thorough cleanup, strong connections to downtown, and opportunities for early public access. The Planning Commission wrapped up with a 7-0 vote that supported the Port/City plan, acknowledging the years of public involvement. Sylvia Goodwin, Planning Director, explained that they encouraged approval of the plan with a few adjustments, regarding park trails, visitor moorage, less stringent parking requirements, and the value of historic resources. Carolyn Casey, Director of External Affairs, described a variety of Summer 2013 Waterfront public outreach opportunities, including Waterfront Twilight Walking Tours of the site, Mayor's ASB Lagoon Lunchtime Walks, San Juan Cruises Bellingham Future Waterfront boat tours, Waterfront Plan Information Fair and public meetings that will be held by the City Council as the proposal enters the next phase of legislative review. Staff also explained that there will be additional work sessions with the Port Commission over the next few months with a goal of plan approval by both the Port Commission and City Council by the end of the year.

2. Update – Blaine Industrial Area

Planning and Development Director Sylvia Goodwin explained that the purpose of the Blaine Industrial Area Plan is to coordinate: cleanup with redevelopment, efficient use of upland and in-water space, inventory in-water infrastructure condition, obtain planning

level cost estimates for alternative redevelopment projects, inform future budget and leasing decisions, working with existing and future tenants. Ms. Goodwin spoke of the area's current conditions and the preferred concept and objectives pertaining to cleanups, removal of rail and excess docks/piers, expansion and upgrades to stormwater and parking. Ms. Goodwin further explained that the Plan's next steps will include input from Commission, boaters, tenants and public and a general discussion regarding priority projects at the upcoming June Budget retreat.

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3. **Update- Airport Binding Site Plan-** Planning and Development Director Sylvia Goodwin explained that the project objectives of the Airport Binding Site Plan are to plan for airport-related growth, create "shovel-ready" development sites, adopt 20 year development phasing plan, establish traffic mitigation requirements, permit wetland fill/off-site mitigation, adopt stormwater Master Plan, approve sidewalks and landscaping plan and modify development regulations. Ms. Goodwin further explained that several mitigation projects have been completed including the East Bakerview/I-5 Interchange funding, Phase 1 wetland construction and phase 2 design, Southwest Stormwater Pond construction and Alderwood Stormwater Pond design as well as landscaping, sidewalk design and archaeological assessment. The remaining work involves Phase 1 wetland maintenance and Phase 2 wetland construction, the Airport Drive/Airport Way turn lane, modification to the Alderwood Stormwater Pond, the completion of the landscaping and sidewalks and continued archaeological monitoring.

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NEW BUSINESS

There was none.

ADJOURN

As there was no further business, the meeting was adjourned at 5:10 p.m.

Jim Jorgensen, President

Scott L. Walker, Secretary