

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, JULY 2, 2013
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen Michael McAuley Scott L. Walker	President Vice President Secretary
Staff:	Rob Fix Carolyn Casey Fred Seeger Dan Stahl Mike Stoner Tamara Sobjack Elizabeth Monahan Shirley McFearin Daniel Zenk Alan Birdsall Steve Shipman Adam Fulton Jon Sitkin Diane McClain	Executive Director External Affairs Director Facilities Director Maritime Director Environmental Director Finance Director Human Resources Director Real Estate Director Aviation Director Strategic Project Manager Real Estate Representative Senior Project Engineer Port Counsel 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

No one signed up for public comment.

CONSENT AGENDA

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

- A. Approval of the minutes of the June 4, 2013, and June 18, 2013, Regular Commission Meetings.
- B. Approval of the appointment of the Bellingham International Airport Advisory Committee (BIAAC) Committee Candidates.

- C. Approval of a Renewal and Modification of Lease between the Port of Bellingham and Greyhound Lines, Inc.
- D. Approval of a Supplemental Lease Agreement (SLA) between the Port of Bellingham and United States Coast Guard.
- E. Approval of a Voucher Certification and Approval for period June 5, 2013 – June 26, 2013 totaling \$3,994,717.84.

Discussion: None.

Motion approved with 3-0 vote.

ACTION ITEMS:

1. RENEWAL OF PORT PROPERTY INSURANCE PROGRAM 2013-2014.

Motion: Authorize the Executive Director to enter into an insurance contract for the renewal of the Port's Property Insurance coverage for the period July 1, 2013 through July 1, 2014.

Discussion: Finance Director Tamara Sobjack explained that the cost for the proposed 2013-2014 bound coverage is approximately 20.6% higher than the prior year due to increases in the insurance market, Port's property appraisal, cost of earthquake coverage, and the Port's 2012 loss record which includes the G East boathouse fire.

Commissioner Walker asked when the Port may expect the debris from the fire to be removed from Port property and Port counsel Jon Sitkin answered that the insurance companies have not closed the claim.

Motion approved with 3-0 vote.

2. BELLINGHAM INTERNATIONAL AIRPORT ADVISORY COMMITTEE (BIAAC) RESOLUTION NO. 1320.

Motion: Approve Resolution No. 1320 adopting the language changes to the Bellingham International Airport's Advisory Committee's (BIAAC) established provisions.

Discussion: Aviation Director Dan Zenk reported that the BIAAC members have reviewed Resolution 1099 outlining the purpose, provisions and function of the BIAAC; a guiding document for maintaining committee organization and structure. The members have made several recommended language changes to better clarify the BIAAC committee's role and function as reflected in proposed Resolution No. 1320; superseding Resolution 1099. Mr. Zenk reported that the BIAAC typically has 7 to 10 people attend their meetings and introduced BIAAC newest member Larry McCarter, Other Whatcom County Businesses representative. Mr. McCarter offered his insight as to the advisory role of the BIAAC and Chairperson Mel Hanson, City of Ferndale representative, commented that the BIAAC serves at the pleasure of the Port Commission.

Motion approved with 3-0 vote.

3. AMENDMENT NO. 1 TO THE INTERLOCAL AGREEMENT WITH PORT OF TACOMA FOR FEDERAL AGENCY PERMIT SUPPORT

Motion: Authorize the Executive Director to amend an Interlocal Agreement with the Port of Tacoma for assistance in obtaining Federal permits for capital and environmental remediation projects by adding \$25,000 for a revised not to exceed amount of \$50,000.

Discussion: Environmental Programs Director Mike Stoner explained that the Port entered into an Interlocal Agreement with the Port of Tacoma in 2012 for staffing resources to assist and facilitate the acquisition of federal permits through their arrangement with NOAA Fisheries and USFWS interests with the US Corps of Engineers. Mr. Stoner added that the proposed first amendment to the agreement would allow the Port to benefit from the Port of Tacoma's arrangement with NOAA Fisheries for continued necessary communication, site visits and Federal Agency permit staffing support.

Motion approved with 3-0 vote.

4. AMENDMENT NO. 1 TO THE PERSONAL SERVICES AGREEMENT WITH CARDNO TEC INC. FOR CONSULTANT SUPPORT - ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAM (ECAP).

Motion: Authorize the Executive Director to execute Amendment No. 1 to the Personal Services Agreement with Cardno TEC, Inc. to increase the scope and budget \$40,950 to \$92,532 and extend the term to April 30, 2014, for continued consultant services for the Port's Environmental Compliance Assessment Program (ECAP).

Discussion: Strategic Project Manager Alan Birdsall explained that the 1992 inception of the ECAP program, first designed to more closely evaluate the environmental impacts Port tenant operations had on Port property, has identified approximately 80 businesses operating onsite that could be subject to environmental regulation and at risk for contaminating Port properties. Mr. Birdsall also reported that the ECAP program now addresses stormwater regulations and provides education to the Port tenants related to the Port's NPDES Phase II Municipal Stormwater Permit. Mr. Birdsall explained the proposed amendment will extend the contract for consultant services with Cardno TEC, Inc., selected in 2012 as the most qualified respondent to the advertised Request for Personal Services.

Motion approved with 3-0 vote.

5. MODIFICATION OF LEASE AGREEMENT FOR CANYON AIR INDUSTRIES, INC.

Motion: Approval of a Modification of Lease Agreement between the Port of Bellingham and Canyon Air Industries, Inc.

Discussion: Real Estate Representative Steve Shipman explained that the proposed modification between the Port and Canyon Air initially started as a twenty year leased agreement between the Port and Robert Reid for 11,500 square feet of General Aviation

space. In 2008 the lease was assigned to Canyon Industries and Mr. Shipman stated that the proposed modification adjusts the rent at the first five (5) year interval of the lease term.

Motion approved with 3-0 vote.

6. MODIFICATION OF LEASE AGREEMENT FOR HALIBUT HENRY'S, LLC AT THE AIRPORT MAIN TERMINAL FACILITY.

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

Discussion: Real Estate Representative Steve Shipman reported that Vicki and Gary Rogers entered into a two year Rental Agreement in 1999 with the Port to operate Halibut Henry's in 346 square feet of space in the airport main passenger terminal. Mr. Shipman added that since then, the business operation has expanded and the lease agreement has been modified several times including the most recent May 2013 five year Commercial Lease Agreement approved by Commission. Mr. Shipman explained that the proposed lease modification increases the leased premises by an additional 156 square feet to accommodate the addition of an expanded gift and travel aid area bringing the total leased premises to 1,438 square feet.

Motion approved with 3-0 vote.

7. CHANGE ORDER NO. 18 WITH DAWSON CONSTRUCTION FOR THE AIRPORT COMMERCIAL TERMINAL EXPANSION (ACTE) PHASE 2 PROJECT.

Motion: Authorize the Executive Director to execute Change Order No. 18 with Dawson Construction on the Airport Commercial Terminal expansion- Phase Two project for Halibut Henry's addition tenant reimbursable work in the amount of \$26,449 for a new total authorized contract amount of \$17,974,040.50.

Discussion: Senior Project Engineer Adam Fulton explained that the proposed change order pertains to the expansion of retail space just approved by the Commission in Agenda Action Item No. 6; Modification of Lease Agreement between the Port of Bellingham and Halibut Henry's LLC.

Motion approved with 3-0 vote.

8. MEDIA DISTRIBUTION SYSTEM (MDS) FOR THE AIRPORT COMMERCIAL TERMINAL EXPANSION (ACTE) PHASE 2 PROJECT.

Motion: Authorize the Executive Director to execute a contract with Dimensional Communications, Inc. of Mount Vernon, Washington for the Airport Commercial Terminal Expansion (ACTE) Media Distribution System (MDS) Phase 2 project in the amount of \$489,609.37 plus a 10% contingency of \$49,000 for a total authorized contract amount of \$538,609.37.

Discussion: Senior Project Engineer Adam Fulton explained that the Medial Distribution System (MDS) in the first phase of the ACTE project included installation of 19 monitors, along with the central components of the software distribution system and the proposed second and final phase of the MDS will include over 60 additional monitors, increasing the fiber connection and capacity of the central software system. Mr. Fulton further explained that when completed, the MDS will be capable of receiving digital signals from a wide range of internet based sources and able to distribute digital signals to display television channels, flight information, baggage information, tenant advertising, airline branding, art work, Transportation Safety Administration announcements, public addresses and hosting/greeting type information. Mr. Fulton added that the Port received an inquiry and right to protest from a higher bidder and that of the 3 bids received, Dimensional Communications, Inc. was selected as the lowest responsive and responsible bidder.

Motion approved with 3-0 vote.

NEW BUSINESS

Motion: Amend the May 21, 2013, Commission Minutes previously adopted.

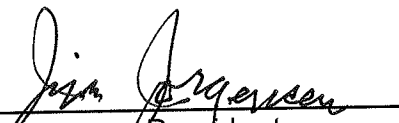
Discussion: Executive Secretary Diane McClain explained that the previously adopted May 21, 2013, minutes omitted the New Business portion of the meeting.

1. Revised 2013 Commission Meeting Schedule: Cancellation of the August 6, 2013, Commission Meeting –The Commission unanimously voted to cancel the first meeting in August.
2. Bornstein Seafoods Letter – There was some discussion of the May 17, 2013, letter to the City of Bellingham Planning and Community Development Department (and August 20, 2009 letter) from Bornstein Seafoods Inc. Re: planning and zoning for urban multi-use shoreline use; specifically the potential negative impact upon their commercial operation if residential units are allowed to be built nearby in the Bellwether Gate LLC development.


Motion approved with 3-0 vote.

ADJOURN

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



Jim Jorgensen, President



Scott L. Walker, Secretary