

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING  
HELD TUESDAY, AUGUST 20, 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
	Carolyn Casey	External Affairs Director
	Dan Stahl	Maritime Director
	Mike Stoner	Environmental Director
	Tamara Sobjack	Finance Director
	Shirley McFearin	Real Estate Director
	Daniel Zenk	Aviation Director
	Norman Gilbert	Project Engineer
	Mike Bozzo	Maintenance Manager
	Steve Shipman	Real Estate Representative
	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 3:05 p. m.

**PUBLIC COMMENT PERIOD**

The following people signed up and commented on the following items:

1. April Barker, 1102 E. Victor, Bellingham – Airport expansion impact on property, increased air traffic, Port website access, outreach efforts and community input.
2. Matt Paskus, 1551 Old Marine Drive, Bellingham – Airport fee 5% gross cost to operators, BIACC committee minutes, and Airport Master plan.
3. Michael Lauer, P.O. Box 2895, Oak Harbor, WA – Airport fee structure to Ground Transportation Service Operators, comparisons to other airports
4. James Johnson, Box 2121, Oak Harbor, WA -Airport tariff, impact to Shuttle service operators.
5. Ernie Henken, 4770 Pacific Highway, Bellingham, WA -Wiki Wiki operator -Airport tariff, impact on businesses.
6. Anne Ashing, P.O. Box 5327, Bellingham, WA- Parking operator - Airport tariff, impact on small business.

August 20, 2013

Page 2

7. Penny Marquart, 3360 Airport Drive, Bellingham, WA – Airport parking owner/operator, fee structure.
8. Richard Johnson, 3100 Crestline Drive, Bellingham, WA - owner- Airporter Shuttle, airport fee comparisons, fee structure.

Before closing public comment, Commissioner Walker thanked those who signed up to speak and agreed that while additional fees are unpopular, the economics of a growing airport are such that user fees, parking and passenger facility charges are a necessary tool and added that there would be more discussion on this issue. Hearing no one else wished to speak; Commissioner Jorgensen closed the public comment period.

### **CONSENT AGENDA**

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

- A. Approval of the minutes of the June 27, 2013, special Commission meeting and the July 2, 2013, and July 16, 2013, regular Commission meetings.
- B. Voucher Certification and Approval July 3, 2013 – July 31, 2013, totaling \$5,728,744.98.
- C. Authorization to sell vessel, pursuant to Resolution No. 947.
- D. Approval of a Renewal and Modification of Lease with Bellingham Family Medicine PLLC.
- E. Approval of Consent to Assignment of Lease Agreement between Briar Development Co. LLP and Richard R. Haggen.

Discussion: None.

Motion approved with 3-0 vote.

### **WATERFRONT DISTRICT COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS**

Opening Comments:

1. Mayor of Bellingham Kelli Linville reported that the public comments the City has received on the Waterfront redevelopment have been appreciated and anticipates that the City as well as the Port will take in the public input and in partnership, set the framework that allows 3 goals to happen: the appropriate cleanup, good paying jobs and access to the waterfront. Ms. Linville thanked her staff, the Port and project Manager Tara Sundin. Mayor Linville then excused herself from the remainder of the meeting as she is currently on vacation; adding that Ms. Sundin will remain.
2. Executive Director Rob Fix commented that the site is 237 acres, 33 acres of parks, 6 new city parks, involves a phased plan with gradual and steady development, public and private investments over a very long term, involving different ideas and interests, welcoming recommendations to improve the plan. Mr. Fix added that the goals for the waterfront development are the same now as in 2005; improve the economy, jobs and

cleanup of the site.

3. Environmental Programs Director Mike Stoner explained that the purpose of the Waterfront District Public Hearing would be to gather public comment on the proposed modification of the Port's Comprehensive Scheme of Harbor Improvements (CSHI) for the area that includes heavy industrial zoning, 6 Model Toxics Control Act (MTCA) sites, underutilized property, private and public lands, and the Bellingham Shipping Terminal. The modifying documents for the CSHI include the Draft Master Plan Package documents: Sub-Area Plan, Development Agreement, Interlocal Agreement, Planned Action Ordinance, Development Regulations, Memorandum of Understanding between the Port, City and Western Crossings, and the Environmental Impact Statement, Property Development Plan. Mr. Stoner also spoke of the proposed future conditions, project background of the Waterfront District and explained future steps for moving the CSHI modifying documents to adoption by the Port Commission. Mr. Stoner added that the Port is accepting written comments in addition to the oral public comments being given during the public hearing.

Click here for presentation: <http://portofbellingham.com/DocumentCenter/View/2685>

Commissioner Jorgensen asked that the public limit comments to 3 minutes to give everyone a chance to speak and then opened the floor to public comment.

### **RECESS COMMISSION MEETING AND OPEN PUBLIC HEARING ON COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS**

Nineteen people testified on the proposed amendment to the Port's Comprehensive Scheme of Harbor Improvements for the Waterfront District during the public hearing. Their comments were recorded. The following represents a brief summary of the topics raised and/or comments expressed by each speaker, but is not intended to represent their full opinion:

1. Fred Rinard, 3854 Cabrant Road, Everson, WA- former GP worker - concerned with toxic site, liability, Granary Building and potential mold..
2. Bob Marshall, 3112 Alderwood Ave., Bellingham, WA – Washington State Jobs With Justice – recommended living wage jobs, \$16.50/hr.
3. Cat Sieh, 3020 Walnut, Bellingham, WA, - Save the Granary, 600 members – appreciated developer interest in preserving the building, bike zones & cycle tracks.
4. Kate Blystone 1155 N. State #310, Bellingham, WA- Futurewise Director – recommended living wage jobs, scheduling public hearings later in the evening, ASB alternatives, higher standard of cleanup, and a Community Benefits Agreement.
5. Charles Law, Whatcom- recommended later meetings, listed environmental, educational, recreational and other items for site consideration.
6. Matt Petryni, 2309 Meridian, Bellingham, WA- ReSources – emphasized public ownership, encouraged adjustment of final documents to be reflective of public comments, alternative times for meetings.

7. Wendy Steffensen, 2309 Meridian, Bellingham, WA – ReSources – stated that Subarea Plan is not ready for final approval, suggested higher level of cleanup, habitat restoration, Community Benefits Agreement, and evaluation of alternative ASB use.
8. Joy Gilfilen, 1225 E. Sunset Dr., Bellingham, WA – encouraged more transparency, global recognition for sustainability, and a Community Benefits Agreement
9. Tim Niemier, Bellingham, WA – Founder – former Ocean Kayak business owner – encouraged waterfront shoreline access, more emphasis on smaller paddle powered boats.
10. Wendy Harris – described a disconnect between staff and public, suggested that the EIS was outdated, preferred site by site cleanup, updated Planned Action Ordinance, and fuller public disclosure.
11. Larry Hildes, P.O. Box 5405, Bellingham, WA - Attorney – described a disconnect with public input, requested more and better public notification of hearing, Community Benefits Agreement, and adjustment to reflect public input.
12. Karen Weill – P.O. Box 5405, Bellingham, WA – requested more public notice of hearing, higher priority for parks and greenery, and a higher cleanup level.
13. Dean Tuderman, Bellingham, WA – recommended getting the best experts for cleanup, largest project in the state, marina does not fit the economy.
14. Clayton Petree, 1132 Birch Falls Dr., Bellingham, WA – encouraged good jobs, cleanup, parks – Whatcom economy, downtown waterfront zoning, ASB pond/marina uses, Rail spur, maximum industrial, and scheduling joint City/Port sessions/meetings/hearings.
15. Darren Williams – Whatcom County Longshoreman – recommended a preference for maintaining the Industrial area, concerned about rising cost of cleanup & delays, suggested less parks, emphasized priority for marine industries that are water dependent, encouraged the Port Commission to move forward.
16. Bob Burr – recommended adjustments to reflect public hearings, listen to public, if condos on waterfront, add schools.
17. Matt Paskus – recommended de-linking consideration of a corporate jet center with the decision on the marina.
18. Layne Southcott, United Creatives – stated that his group is preparing a proposal to support the Granary, water flow, sensible alternatives, construction techniques, flow of resources and people on waterfront, education opportunities, and local ownership.
19. Chris Armstrong – ReSources – referenced his analysis of public input & public comment, indicated that he thought public input was asking for more evaluation of ASB uses, more parks and trails and open space/ habitat restoration, connectivity.

Upon confirming that no one else wished to speak, Commissioner Jorgensen thanked the participants, closed the Public Hearing and encouraged the public to comment further in writing until the Port Commission is ready to make a final decision on the proposed amendment to the CSHI, expected later this fall.

**CLOSE PUBLIC HEARING AND RECONVENE COMMISSION MEETING.**

**Commission Comment:** At 5:00 p.m., Commissioner McAuley announced that he needed to leave after the first two Action items and would not be able to stay for the rest of the Commission meeting.

**ACTION ITEMS:**

**1. FEDERAL AVIATION ADMINISTRATION (FAA) AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT NO. 3-53-0005-50.**

Motion: Authorize the Executive Director to accept FAA AIP Grant No. 3-53-0005-50 on behalf of the Port of Bellingham, in the amount of \$550,200.

Discussion: Aviation Director Dan Zenk explained that the FAA has not yet authorized the distribution of FY2013 entitlement funds for the Bellingham International Airport. Mr. Zenk added that the proposed Grant 50 is anticipated to be issued in September 2013 and those those funds will be used for the additional work completed on the deicing containment facility project completed in 2012.

**FEDERAL AVIATION ADMINISTRATION (FAA) AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT NO. 3-53-0005-51.**

Motion: Authorize the Executive Director to accept FAA AIP Grant No. 3-53-0005-51 on behalf of the Port of Bellingham, in the amount of \$651,833.

Discussion: Aviation Director Dan Zenk explained that the FAA has not yet authorized the distribution of FY2013 entitlement funds for the Bellingham International Airport. Mr. Zenk added that the proposed Grant 51 is anticipated to be issued in September 2013 and those funds will be used for the design completion of General Aviation Apron/Taxilanes and the Remain Overnight (RON) aircraft parking apron for commercial aircraft at the main passenger terminal.

Both Motions were approved together with 3-0 vote.

Click here for presentation: <http://portofbellingham.com/DocumentCenter/View/2688>

**2. 2013 BELLINGHAM INTERNATIONAL AIRPORT TARIFF SCHEDULE.**

Motion: Motion to approve the 2013 Bellingham International Airport Tariff Schedule effective September 1, 2013.

Discussion: Following the comments heard in the public comment period, the Commission decided to postpone this item to a future date.

Motion –Tabled, no vote taken.

**Agenda Order Revision:** It was decided that due to the length of the meeting, a few of the Agenda items would be addressed out of sequence to better accommodate guests in the audience.

## **WORK STUDY**

- 1. Update – State Legislative** – External Affairs Director Carolyn Casey explained that the Port, City and County joined together last year and entered into a Cooperative agreement for the coordinated lobbying representation in Olympia. The group developed a list of shared legislative goals, advertised and selected lobbying firm, McBride Public Affairs, LLC. Ms. Casey introduced lobbyists Ben Buchholz and Tom McBride to provide an overview of the 2013 list of legislative objectives and outcomes that included the Budget, Public Works Trust Fund, LIFT, MTCA, Transportation, Aquatic Invasive Species, Marine Tourism and Judiciary –funding a 4<sup>th</sup> Superior Court Judge for Whatcom County. Ms. Casey encouraged the Commission to begin considering the priority items to be addressed in the next legislative session.
  
- 6. Update – Squalicum Barge Terminal** – Marine Terminals Director Dan Stahl provided an update on the preliminary engineering for the proposed Squalicum Barge Terminal. This terminal, to be located on the Mt. Baker site, along the Squalicum channel, would allow for the transfer of containers to and from barges engaged in coastwise traffic. The preliminary engineering efforts took a no-frills approach, knowing that the terminal would be expensive, and would not likely make sufficient revenue from operations to cover its own capital expenses. Two options were presented and described to the Commission. For each option, the engineers developed a Rough Order of Magnitude (ROM) cost estimate. The ROMs for these options ranged from \$7.5 million to \$18.3 million. Mr. Stahl then introduced Doug Thomas, CEO of Bellingham Cold Storage (BCS), who engaged in the discussion with staff and Commission. At the end of the discussion it was agreed that the ROM estimates indicate that the Squalicum Barge Terminal as currently envisioned is not financially feasible. It was further agreed that staff would regroup with BCS and see if there is a way to use BCS's existing dock to help lower the overall capital expense of developing this kind a terminal. The Commissioners thanked Mr. Thomas and staff for their work, and asked to be kept apprised of future discussions.  
Click here for presentation: <http://www.portofbellingham.com/DocumentCenter/View/2687>
  
- 2. Update – Airport Master Plan** – Aviation Director Daniel Zenk introduced Port contracted URS consultant John Yarnish to provide an update on the status of the Airport Master Plan. Mr. Yarnish explained that the objective of the Master Plan is to provide an updated Airport Layout Plan (ALP) while providing guidelines that are logical, timely, and economically viable for the airport operations in the next five to twenty years. Mr. Yarnish further explained that public comments received have included benefits of additional services but majority have been impacts to residents living nearby impacted by the increased commercial activity and noise of older aircraft, diminished quality of life, and concerns that the airport is serving non-local residents, and carries increased financial and social risks. Mr. Yarnish discussed the FAA Approved Forecast – Enplaned

Passengers and Annual Operations projected over the next twenty years at the current level of growth and anticipated demand and taking into consideration future terminal requirements and potential taxilane reconfigurations. Mr. Yarnish reported that in the fall, the Commission will be asked to select a growth alternative for the short and long term planning period based on all the information presented.

Click here for presentation: <http://portofbellingham.com/DocumentCenter/View/2686>

6. **Update - BST Marketing** – Maritime Director Dan Stahl distributed copies of the new Marketing materials to the Commissioners. These were developed in coordination with the port's Real Estate and Communications divisions. Staff has begun distributing these materials to potential users of the Bellingham Shipping Terminal, including shipping companies, freight forwarders, and vessel agents.
3. **Update – Request for Proposals (RFP) Interview Process- Waterfront-** Executive Director Rob Fix reported that one Master Developer was interviewed on July 31 and that all three Granary Developers were interviewed on August 15. Mr. Fix further reported that the other two Master Developers are scheduled for interviews on September 10. The next RFP update to the Commission will be moved from September 3 to September 17.
4. **Update – Financial Report – 2<sup>nd</sup> Quarter 2013** – Postponed to a later date.
5. **Update – 2012 Audit Results** – Postponed to a later date.

**MORE ACTION ITEMS:**

**3. AMENDMENT NO. 16 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ASPECT CONSULTING LLC FOR GP WEST FEASIBILITY STUDIES AND DRAFT CLEANUP ACTION PLAN.**

Motion: Authorize the Executive Director to execute Amendment No. 16 to the Professional Services Agreement (PSA) with Aspect Consulting, LLC to increase the scope and budget by \$271,369 for a total authorized budget of \$2,768,420.

Discussion: Environmental Site Project Manager Brian Gouran explained that the Port entered into a PSA in 2008 with Aspect to perform a Remedial Investigation/ Feasibility Study (RI/FS) at the GP West Site. The work was anticipated to be done in phases with multiple amendments to allow for adaptive project management based on initial findings, regulatory changes and ongoing land use planning efforts. Mr. Gouran added that the Port and Ecology split the site into two separate remedial action units in August and added that the additional scope of work proposed in Amendment No.16 will address the preparation of two Feasibility Studies, a Draft Cleanup Action Plan and Consent Decree support.

Motion approved with 2-0 vote.

**4. AWARD BID TO RAZZ CONSTRUCTION, INC. FOR THE 2013 MARINA IMPROVEMENTS PROJECT.**

Motion: Authorize the Executive Director to execute a contract with Razz Construction, Inc. of Bellingham, Washington for the 2013 Marina Improvements Project in the amount of \$888,424.43 plus a 10% contingency for a total authorized contract amount of \$977,268; and amend the 2013 Capital Improvement Program by authorizing the expenditure of \$106,000 from the 2014 allocation of the Inner Harbor Float Life Extension project, budget line item 102, and transferring those funds to the Dock Box Replacement project, budget line item 121.

Discussion: Project Engineer Norman Gilbert explained that the proposed contract is a combination of three capital projects: Inner Harbor Float Life Extension- to extend the life of the Gate 6 & 8 floats by performing upgrades and repairs to the walers, Installation of Dock Safety Ladders in Squalicum and Blaine Harbors, and Dock Box Replacements at Squalicum Harbor.

Motion approved with 2-0 vote.

#### **5. AWARD BID TO DIRT WORKS BELLINGHAM, INC. FOR THE FAIRHAVEN MARINE INDUSTRIAL PARK WATER MAIN REPLACEMENT PHASE 1 PROJECT.**

Motion: Authorize the Executive Director to execute a contract with Dirt Works Bellingham Inc. of Bellingham, WA. for the Fairhaven Marine Industrial Park (FMIP) Water Main Replacement Phase 1 Project in the amount of \$78,590.10 plus a 15% contingency for a total authorized contract amount of \$90,380.

Discussion: Maintenance Manager Mike Bozzo explained that the Port received five bids for the FMIP water main project and Dirt Works Bellingham, Inc. was selected as the lowest responsive and responsible bidder.

Motion approved with 2-0 vote.

#### **6. MODIFICATION OF RENTAL AGREEMENT WITH WHATCOM MARITIME ASSOCIATION FOR PREMISES LOCATED AT THE BELLINGHAM SHIPPING TERMINAL.**

Motion: Approval of a Modification of Rental Agreement between the Port of Bellingham and Whatcom Historical Society d/b/a Whatcom Maritime Association (WMA) for premises located at the Bellingham Shipping Terminal (BST).

Discussion: Real Estate Representative Steve Shipman explained that the proposed agreement will restructure the 2005 month to month rental agreement with WMA for storage and non-exclusive public meeting space in the former Port of Bellingham Maintenance Shop BST site to more adequately reflect the tenant's current use of the premises; whereby eliminating the meeting space and increasing the storage space.

Motion approved with 2-0 vote.

#### **NEW BUSINESS**

August 20, 2013  
Page 9

There was none.

**ADJOURN**

As there was no further business, the meeting was adjourned at approximately 6:35 p.m.

---

Jim Jorgensen, President

---

Scott L. Walker, Secretary