

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, OCTOBER 1, 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 Daniel Zenk Mike Stoner Carolyn Casey Fred Seeger Tamara Sobjack Elizabeth Monahan Dan Stahl Shirley McFearin Dodd Snodgrass Judy Harvey Barbara Pierson Frank Chmelik Diane McClain	Executive Director Aviation Director Environmental Director External Affairs Director Facilities Director Finance Director Human Resources Director Maritime Director Real Estate Director Economic Development Specialist Real Estate Representative Real Estate Representative Port Counsel Executive Secretary

CALL PUBLIC MEETING TO ORDER 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.

Commissioner Jorgensen read aloud a letter dated September 25, 2013, from State of Alaska Department of Transportation and Public Facilities, Captain John F. Falvey, Jr., General Manager, Alaska Highway System (AMHS) thanking the Port its help with the 50th Anniversary Bellingham community celebration.

CONSENT AGENDA

Motion: Approve Consent Agenda items A - C as follows:

- A. Voucher Certification and Approval for period September 4, 2013 – September 25, 2013 totaling \$ 2,755,505.44.

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- B. Authorize the Executive Director to enter into insurance contracts for the renewal of the Port's 2013-2014 Liability and Auto Insurance program for the policy period October 1, 2013, through September 30, 2014.
- C. Approval of Resolution No. 1322 declaring certain vehicles, equipment and materials surplus to the needs of the Port and authorizing the Executive Director to offer same for sale at public auction.

Discussion: None.

Motion approved with 3-0 vote

ACTION ITEMS:

1. WASHINGTON STATE DEPARTMENT OF COMMERCE ASSOCIATE DEVELOPMENT ORGANIZATION (ADO) 2013-2015 CONTRACT.

Motion: Authorize the Executive Director to execute 2013-2015 Washington State Department of Commerce Associate Development Organization (ADO) Biennium grant contract.

Discussion: Economic Development Specialist Dodd Snodgrass explained that the ADO contracts are typically renegotiated at the beginning of the state fiscal biennium but the process was delayed due to the abnormally long legislative session. Mr. Snodgrass further explained that through the grant agreement between the Port of Bellingham and the Department of Commerce, the addition of the Whatcom County ADO (John Michener) has benefited the Port, as well as the companies the Port has contacted in its economic development efforts. Mr. Snodgrass added that ongoing county site visits, following up on recruitment leads, and developing a county profile of demographics and economics for the website are a few of the tasks accomplished through the ADO contract.

Motion approved with 3-0 vote.

2. MODIFICATION OF LEASE BETWEEN THE PORT OF BELLINGHAM AND HALIBUT HENRY'S LLC, BELLINGHAM INTERNATIONAL AIRPORT.

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

Discussion: Real Estate Representative Judy Harvey explained that in May of 2013, the Port and Halibut Henry's entered into a new Commercial Lease for 1,282 square feet at the Bellingham International Airport. That lease was modified in July 2013 during the Airport Commercial Terminal Expansion project to increase the space to 1,438 square feet, adjusting the rent, use of premises and providing reimbursement to the tenant for tenant

improvements. Ms. Harvey further explained that the tenant's lease includes areas in secured and non-secured areas at the terminal and that the proposed modification acknowledges construction interruption, modifies the "use of premises" to allow for retail sales and clarifies when rent is due for those areas.

Motion approved with 3-0 vote

3. RENEWAL OF LEASE BETWEEN THE PORT OF BELLINGHAM AND MINGA, INC. DOING BUSINESS AS KURU KURU SUSHI.

Motion: Approval of a Renewal of Lease between the Port of Bellingham and Minga, Inc., a Washington corporation, d/b/a Kuru Kuru Sushi.

Discussion: Real Estate Representative Judy Harvey reported that the proposed Renewal of Lease for 2,000 square feet at #11 Bellwether Building is for a five-year term, with two five-year renewal options remaining. Ms. Harvey added that the rental rate will increase over the five-year term to bring it closer to meeting the standards.

Motion approved with 3-0 vote

4. RENEWAL AND MODIFICATION OF LEASE BETWEEN THE PORT OF BELLINGHAM AND BELLA MARINA LLC. DOING BUSINESS AS NICKI'S BELLA MARINA.

Motion: Approval of a Renewal and Modification of Lease between the Port of Bellingham and Bella Marina LLC d/b/a Nicki's Bella Marina.

Discussion: Real Estate Representative Barbara Pierson reported that Bella Marina LLC leases a restaurant of approximately 7,683 square feet at the Squalicum Esplanade; operating as Nicki's Bella Marina restaurant. The lease was assigned to Bella Marina, LLC in 2008. The original lease was for a term of ten years with four five-year renewal options; four of these remain under the existing terms and conditions of the lease. The new lease term would be October 1, 2013, through September 30, 2018. Ms. Pierson further reported that the Lessee has agreed to replace the floor covering in the main lower level restaurant within 90 days of execution of the approved Renewal and Modification of Lease.

Motion approved with 3-0 vote.

WORK STUDY

1. Update – 2014 Port of Bellingham Strategic Budget

Finance Director Tamara Sobjack reported that staff would be providing a general overview of the draft 2014 Strategic Budget for purposes of obtaining Commission feedback. External Affairs Director Carolyn Casey explained that from the June 2013 Budget retreat, the staff and Commission identified a list of draft corporate goals for 2014: The Waterfront District;

adoption of the master plan and related development agreements and land transfer with Western Crossing, Multiple environmental site cleanups, in water work in the Whatcom Waterway and securing of grant funding, Marine Trades expansion and promotion, Strategic management of a growing Airport, Re-development of the Bellingham Shipping Terminal and Log Pond Area, Economic development stimulation and job creation, Restoration and repair of aging infrastructure. Ms. Casey added that some of these are 1 -3 year goals.

Ms. Sobjack further added that the budget will experience pressures from aging facilities, increases in the cost of utilities and insurance, security and additional staffing, and environmental cleanups.

Human Resources Director Elizabeth Monahan reported that in support of the Corporate Goals, three additional staff positions have been identified: Airport Operations Specialist-to reduce the amount of overtime, Maintenance Technician – primarily to support the airport expansion area and the Bayview Building acquisition, IT Specialist – minimizing the current outside contractor use and assisting staff with the airport expansion technology. Ms. Monahan added that adding one part-time maintenance clerical employee may be necessary due to the addition/expansion of properties and recordkeeping such as preventative maintenance.

The upcoming schedule for distribution of the 2014 budget document: Available to the public on October 24, 2013, Public Hearings on November 5, and 19, 2013, Adoption on November 19, 2013, and Filing with the County auditor on or before the first of December.

2. Waterfront District Master Plan Discussion

Environmental Programs Director Mike Stoner presented an overview of the progress of the revitalization of Bellingham Waterfront that included an update of the City of Bellingham's Completed Comprehensive Review, ongoing deliberations and focus on key topic areas that include overall vision, environmental issues, development areas and phasing, transportation and utilities, parks and trails and project economics. Mr. Stoner added that the Waterfront Committee recommendations may include a broad range of potential changes. Any substantive changes to the draft agreements pertaining to areas such as affordable housing, parks and trails, public access, etc. and/or any motions introduced will need Commission approval as both the Port and City must adopt the same package of documents.

NEW BUSINESS

1. Amended 2014 Budget Schedule

Motion: Amend the previously adopted 2014 Budget to correct a date on the schedule pertaining to the posting of public notices.

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Discussion Executive Secretary Diane McClain explained that the motion was due to a date error recently discovered in the 2014 schedule that was previously adopted by Commission on July 16, 2013.

Motion approved with 3-0 vote

2. Amendment to the Personal Services Agreement (PSA) with Forecast Inc. for Air Service Retention/Development.

Motion: Authorize the Executive Director to amend the Personal Services Agreement (PSA), on behalf of the Port of Bellingham, with Forecast, Inc. for the retention and development of air service at Bellingham International Airport, in an amount not to exceed \$13,850.

Discussion: Aviation Director Daniel Zenk explained that the Port entered into a Personal Services Agreement with Forecast, Inc., in 2012 for the purpose of assisting staff in the development of marketing strategies for the Bellingham International Airport and efforts to attract additional air service and generate additional airport revenue. Mr. Zenk added that the proposed amendment provides for the cost of the consultant's travel and attendance, as well as preparation of a presentation at the upcoming air service development conference

Motion approved with 3-0 vote

3. RFP Waterfront Proposals, Granary

Commissioner McAuley asked about the progress of Granary conversations with developers. Executive Director Rob Fix explained that two additional meetings are planned with Master Developers and that the Granary would be part of those discussions. Commissioner McAuley asked that an update be provided to the commission at the first November Commission meeting.

ADJOURN

As there was no further business, the meeting was adjourned at approximately 5:05 p.m.



Jim Jorgensen, President



Scott L. Walker, Secretary