

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, APRIL 15, 2014
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

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| Present: | Commissioners: | Michael McAuley Dan Robbins Jim Jorgensen |
| Staff: | Rob Fix Daniel Zenk Mike Stoner Tamara Sobjack Fred Seeger Elizabeth Monahan Dan Stahl Shirley McFearin Alan Birdsall Marie Duckworth Environmental Analyst Judy Harvey Frank Chmelik Diane McClain | Executive Director Aviation Director Environmental Programs Director Finance Director Facilities Director Human Resources Director Maritime Director Real Estate Director Strategic Project Manager Community Relations Coordinator Mike Hogan Real Estate Analyst Port Counsel Executive Secretary |

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

Commissioner McAuley called the meeting to order at 1:00 p.m. to report that the purpose of the closed session would be to litigation and discuss real estate transactions, pending pursuant to RCW 42.30.110(1) (i) (c).

RECONVENE PUBLIC MEETING AND ROLL CALL

Commissioner McAuley called the meeting to order at approximately 3:04 p.m.

PUBLIC COMMENT PERIOD

The following people signed up for public comment:

1. Brad Pemberton- Squalicum Harbor – Moorage Rates – Mr. Pemberton reported the yacht business has not been easy in recent years. He understands the inner harbor will be rebuilt; concerned that moorage rates have been increasing annually; suggested the Port set a policy on rates that promotes fairness and equity to all moorage customers.
2. Tim Slater, Bellingham WA – Boathouse –Mr. Slater expressed frustration with not being able to sell elderly parents' Squalicum boathouse and believes Port has some culpability; expressed rates not fair or right.

3. Ken Culver Boathouse PFE, Bellingham, WA Boathouse/Harbor Rates – PFE 10
Boathouse owner Mr. Culver presented a [letter](#) to the commission- reported that the 12
Multiparty Boathouse owners he is representing prefer the pure closed loop system in
setting moorage rates; water space for sq ft water used; everyone paying the same- no
discount rates.
4. Paul Leuthold 2209 Lopez, Bellingham, WA – Community Boating Center (CBC) – Mr.
Leuthold reported from his 35 year experience in the parks and rec, CBC is a water
dependent lease; 137 vessels (including kayaks / offering adult and children classes in
water recreation and safety; urged Commission to enter into a lease that is equitable.
5. John Pedlow 225 Middlefield WA – Boathouse Moorage Rates- Mr. Pedlow reported 18
years as tenant in Squalicum harbor, boathouse moorage rates have increased annually
and substantially. Mr. Pedlow presented the Commission a [letter](#), asked that the moorage
rates be based on a closed loop system and using common rates per sf. for all moorages.
6. Lori Province 2501 West Street, Bellingham, WA- Port City Redevelopment -35 year
tenant, redevelopment of the waterfront habit, wages, issues- urged due diligence in
working with Harcourt. Past commodore of Squalicum, Invited Commission to Opening
Day May 3rd.
7. Milan Slipcevic 156 Windward Dr. Bellingham, WA – Moorage Rates- Commercial Fishing
Association (CFA) President, urged competitive moorage rates; CFA rates now
competitive with Seattle, would like continued.
8. John Kole 2114 Humboldt, Bellingham, WA 98226- Rates- Mr. Kole asked why the
moorage rates should be different for one type of user than another and expressed that if
commercial fishing vessels moor here year around, should have to pay year around .
9. Warren Bergholz, Ferndale, WA – Poe's Point- Mr. Bergholz opted to speak of the Poe's
Point issue later in the meeting upon learning it was on the agenda for discussion.
10. Fred Wicknick-4508 Wall Street, Bellingham, WA- Rates -Mr. Wicknick, Boathouse owner,
presented the Commission a [letter](#), spoke of 4 special interest groups: Open slip,
boathouse association, commercial brokerage and commercial fishing. Commented that
he opposes choosing one group over another; a square foot of water is a square foot of
water; adopt a true closed loop moorage model.
11. Paul Burrill- 706 Fieldston Road, Bellingham, WA- Rates- Fisherman, Mr. Burrell reported
upland industry attracts affordable gear storage.
12. Brad Owens, 1700 State Street, Bellingham WA –Port City Redevelopment- President
NW Building xx, Construction Council- Mr. Owens reported that he agrees with comments
made earlier by Lori Province and would like to schedule a presentation to Commission in
the near future regarding project labor agreements and terms, Washington State
prevailing wage and apprenticeships with regard to the redevelopment of the waterfront.
13. Tip Johnson- CBC- Mr. Johnson supported comments made by Paul Leuthold on bringing
a CBC lease for approval; CBC is unlike any other; serves a need in the community.

CONSENT AGENDA

Motion: To adopt Consent Agenda items A through C:

- A. Approve the minutes of the April 1, 2014, Commission meeting.
- B. Authorize the Executive Director to execute Amendment No. 2 to extend the Personal services Agreement with Cardno TEC, Inc. to increase the scope and budget by \$40,810 to \$133,342 and extend the term to April 30, 2015, for continued consultant services for the Port's Environmental Compliance Assessment Program.
- C. Approval of the Scope and Schedule for the 2014 Moorage Model Review.

Discussion: The Commission discussed Consent Agenda item C; approval of the Scope and Schedule for the 2014 Moorage Model; in particular the \$45 million cost for looming capital projects and moorage rates for Active Commercial Fishing vessels (ACF). Following the discussion, staff was directed to continuing working with the Marina Advisory Committee (MAC) to further review the marina moorage model closed loop system and prior to the beginning of the Port's 2015 Strategic Budget development. The next MAC meeting is scheduled for May 13th at 6:00 p.m. Squaticum Harbor and open to the public.

Motion approved with a 3-0 vote.

PRESENTATIONS

1. Update – Marine Park and Alonzo Poe

Strategic Project Manager Alan Birdsall welcomed guest Warren Bergholz. Mr. Birdsall reported that the Port received a request in 2002 to name the Marine Park (located in Fairhaven) after Alonzo Poe and recalled that Dr. Bergholz had initiated the request then as he has at the last two Commission meetings. Mr. Birdsall then provided a brief [history](#) of Mr. Alonzo M. Poe. It has been reported that Mr. Poe was born in Wisconsin 1826, one of first settlers to Olympia, WA in 1846, arrived in Bellingham Bay in 1853 and set claim to 303 acres on what was referred to as Poe's Point. He was appointed Whatcom County Auditor in 1854 and surveyed and platted Whatcom in 1858. He later moved to California where he died in 1866 at 40 years of age. Mr. Birdsall further reported that the geological feature known for years as Poe's Point no longer exists and within close proximity is an area known as Post Point which has been the source of considerable confusion. The Port has had signage in the past with both names Poe's Point and Post Point near the entrance to the park. The Commission asked staff to provide details regarding adding signage for recognizing Mr. Poe.

2. Annual Audit Entrance Conference

Finance Director Tamara Sobjack introduced guests from the Washington State Auditor's Office, Andy Asbjornsen, Audit Manager, Jenny Lofton, Audit Supervisor and Beth Corcoran, Audit Lead. The team explained that Washington State law requires an examination of financial affairs of all local governments. The purpose of State Auditor's audit is to assess

annual revenues, federal expenditures, significant issues found in prior audits, bond covenants and state laws and regulations. The [scope](#) of the 2013 Port of Bellingham audit will focus on accountability (disbursements, payroll and bid compliance/change orders), financial statement (accounting policies, internal controls, fraud prevention, and compliance with contract and agreement regulations) and federal grant compliance (Airport Improvement Program). Reporting levels for audit recommendations may include findings, management letters or exit items. The total cost of the audit is estimated to be approximately \$37,400 with the results expected to be provided to the Commission in late May through an exit conference.

3. Update – Airport Master Plan

Aviation Director Daniel Zenk introduced guest URS (Aviation Consultant) John Yarnish to provide an [update](#) to the Commission on the Bellingham International Airport (BLI) Master Plan development. Mr. Yarnish reported that the goals of the Master Plan are to develop BLI in a manner that continues to meet the transportation needs of the region in keeping in compliance with FAA safety and design criteria, and assures that the airport continues to contribute to the economic vitality of the region in a manner that is balanced with the needs of the community. The objective of the Master Plan is to provide an updated Airport Layout Plan (ALP) for the next 5, 10, and 20 years. With the completion of the inventory of existing conditions, aviation demand forecasts (annual aircraft operations and annual enplaned passenger) and identifying goals for facility requirements, the next steps (now in progress) include the identification of alternatives and a preliminary noise analysis. The ALP, environmental overview and implementation plan are all pending. Mr. Yarnish added that the runway is sufficient for current needs as is the airfield capacity. Some taxiway realignments, the air traffic control tower, airport surveillance, jet engine run up and helicopter landing areas will need addressing. Mr. Yarnish further added that the use of the new Airport Commercial Terminal will likely be maximized given the growth rate of activity and expansion needed before year 2028 to accommodate projected capacities of 800,000 annual passengers and increased peak hours. Mr. Yarnish spoke of possible terminal, general aviation requirements and relocation potential to address growth and capacity in the future. The plan going forward is to continue defining the current noise environment by working with the FAA to develop noise contours to better define impacts, continue receiving public input, attending public meetings, Port Commission briefings, Technical Advisory Commission meetings and collecting on-line comments. Mr. Yarnish added that the Port may not restrict public or new airlines access to the airport, constrain growth or ignore the negative impacts of the airport.

1. VIDEO TAPING OF COMMISSION MEETINGS.

Motion: Authorize the Executive Director to execute a Personal Services Agreement (PSA) with Spinner LLC to provide live stream videotaping of commission meetings to the Port's website, and to save a backup copy of the same to a Port backup hard drive.

Discussion: Community Relations Coordinator Marie Duckworth reported that the Commission directed staff to research the feasibility of videotaping the Commission meetings and a Request for Proposal (RFP) was issued for the scope of services requested. Of the four respondents, Spinner LLC was selected by the evaluation committee. The proposed

cost for Spinner to live stream the video and provide a copy of the meeting to the Port's hard drive will be \$425 per commission meeting and include up to four and one half hours of recording time per meeting. It was also reported that the Commission chambers/ Harbor Center room is scheduled to have some updates/upgrades late this summer to better accommodate the videotaping of meetings and overall use of the facility.

Motion approved with 3-0 vote.

2. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH FLOYD/SNIDER LLC FOR THE HARRIS AVENUE SHIPYARD SITE PROJECT.

Motion: Authorize the Executive Director to execute an amendment to the Professional Services Agreement (PSA) with Floyd/Snider, LLC, to perform required environmental activities at the Harris Avenue Shipyard site by adding \$284,715 for a revised total authorized budget of \$1,414,305.

Discussion: Environmental Director Mike Stoner reported that the Port retained Floyd/Snider to provide consulting support, completion of a Remedial Investigation/Feasibility Study (RI/FS) and other remedial actions for the Harris Avenue Shipyard site under an Agreed Order with the Department of Ecology. Since 2008, the PSA with Floyd/Snider has been amended twice to address scope changes per requirements of the Model Toxics Control Act (MTCA) and Sediment Management Services; increasing the cost and timeframes. Mr. Stoner added that the scope of services included in the proposed amendment will include Project Management, RI/FS completion and negotiation of the draft Cleanup Action Plan (CAP) and a draft Consent Decree for public comment later this year, as required under the Agreed Order with Ecology.

Motion approved with 3-0 vote.

3. BROWNFIELDS COALITION MARKETING GRANT CONTRACT

Motion: Authorize the Executive Director to execute a Grant Contract with the Washington State Department of Commerce (Commerce) for a \$150,000 grant to support redevelopment of the Log Pond area and Shipping Terminal area.

Discussion: Environmental Analyst Mike Hogan provided an [overview](#) of the Brownfields Coalition Marketing Grant Contract and explained that the Port signed a Memorandum of Understanding (MOU) with Commerce in 2014 to join its Washington Brownfields Coalition, in support of the cleanup and redevelopment of contaminated properties. The Port applied and received a \$150,000 grant to produce an action plan to attract and recruit new and/or expanding industries to the Log Pond area and the Bellingham Shipping Terminal area. The Port intends to use the grant to evaluate site assets, identify target industry clusters, review recent expansion and relocation activity among the target industries, and develop an action plan and marketing materials to then recruit target industries, and begin implementing the action plan.

Motion approved with 3-0 vote.

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4. BELLWETHER MARKET, INC. NEW COMMERCIAL LEASE

Motion: Approval of a Commercial Lease Agreement between the Port of Bellingham and Bellwether Market, Inc. for approximately 867 square feet of space located at 8 Bellwether Way, Bellingham Washington.

Discussion: Real Estate Representative Judy Harvey explained that the new Commercial Lease between the Port of Bellingham and Bellwether Market, Inc. will be for period of one year beginning May 1, 2014, ending April 30, 2015, with nine consecutive one-year term renewals. Ms. Harvey added that Bellwether Market, Inc. President Ann McEvoy has extensive retail experience and the Bellwether Market is proposed to be a high-end convenience store carrying specialty wines, meats, chesses, chocolates, fresh and local sandwiches and salads.

Motion approved with 3-0 vote.

ADJOURN

With no further business, the meeting was adjourned at approximately 5:45 p.m.

Michael McAuley, President

Jim Jorgensen, Secretary