

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, MARCH 17, 2015
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Dan Robbins	President
	Jim Jorgensen	Vice President
	Michael McAuley	Secretary

Staff:	Rob Fix	Executive Director
	Dan Zenk	Director, Aviation
	Mike Stoner	Director, Environmental Programs
	Fred J. Seeger	Director, Facilities
	Elizabeth Monahan	Director, Human Resources
	Sylvia Goodwin	Director, Planning and Development
	Tamara Sobjack	Director, Finance
	Shirley McFearin	Director, Real Estate
	John Hergesheimer	Senior Project Engineer
	Frank Chmelik	Port Counsel
Diane McClain	Executive Secretary	

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

Commissioner Robbins called the Commission meeting to order at 1:00 p.m. and immediately recessed to a closed executive session to discuss real estate transactions pursuant to RCW 42.30.110(1) (c).

RECONVENE PUBLIC MEETING AND ROLL CALL

The Commission meeting was reconvened at approximately 3:00 p.m.

PUBLIC COMMENT PERIOD

1. Lori Province, 2501 West Street, Bellingham, WA- Economic Policy & Real Estate Objective - Ms. Province praised the placement of agenda items on the Port's website and asked for assistance in locating the Port's 2014 Real Estate objective as referenced in today's agenda items.

2. Matt Petryni, Clean Energy Program Manager, ReSources for Sustainable Communities - Waterfront cleanup -, Mr. Petryni urged cleanup standards for the waterfront cleanup which will benefit the health and safety of the community, the fishing industry through promoting fish habitat, jobs creation, attracting and seeking the best tenants to the waterfront. Mr. Petryni also urged the use of the Co-gen facility on the waterfront if possible.

CONSENT AGENDA

Motion: To adopt Consent Agenda items A through I as follows:

- A. Approve the minutes of the March 3, 2015, Regular Commission meeting.
- B. Authorize the Executive Director to close and renew all nine existing Remedial Action Grant Agreements with Department of Ecology under a new Grant management system, as required by Ecology.
- C. Authorize the Executive Director to execute an Agreement with SPIE, International Society for Optics and Photonics, regarding light-based artwork in the Bellingham Cruise Terminal for a two week period in 2015.
- D. Authorize the Executive Director to execute Amendment No. 13 to the Professional Services Agreement (PSA) with URS Corporation to perform a FAA Airport Improvement Program (AIP) grant reimbursement analysis for the Airport Commercial Terminal Expansion Project in the amount of \$25,412.50 plus a \$2,500 contingency for a total authorized PSA of \$6,084,312.50.
- E. Authorize the Executive Director to execute Amendment No. 1 to the Personal Services Agreement with Puget Sound Executive Services (PSES) for Law Enforcement Officer Services at the Bellingham International Airport (BLI) for an amount not to exceed \$272,538.
- F. Authorize the Executive Director to execute an Extension of Exclusive Right to Negotiate letter between the Port of Bellingham and the Jeff Kochman team for the Redden Marine Redevelopment Mixed Use Project.
- G. Approve Consent to Assignment of Lease and Modification of Lease between the Port of Bellingham, Hilton Harbor, Inc. and Bitter End Boatworks, LLC, for property located at 1000 Hilton Avenue, Bellingham, WA.
- H. Approve a Renewal and Modification of Lease between the Port of Bellingham and Norman M. Walsh, d/b/a Walsh Marine for property located at 218 McMillan Avenue, Blaine, Washington.
- I. Approve a Modification of Airport Lease between the Port of Bellingham and Bellingham Hangars Condominium Owners' Association for the addition of nine month renewal period to accommodate Tenant financing.

Discussion: Commissioner Robbins welcomed new Port tenant in attendance, Jesse Vangolen, of Bitter End Boatworks, Hilton Harbor. (Item G). There was no other discussion.

Motion approved with a 3-0 vote.

PRESENTATIONS:

1. Update – Working Waterfront Coalition of Whatcom County

Real Estate Director Shirley McFearin introduced President Jim Kyle to provide an overview of the Working Waterfront Coalition (WWC). Mr. Kyle stated the mission of the group is to “promote the vitality and economic benefits of our working waterfronts for the people of Whatcom County.” Mr. Kyle further reported the WWC goals involve enhancing communication, education, sharing of ideas, and involvement in the waterfront planning, and promoting a healthy shoreline. There are currently 90 + members and membership is open to all Whatcom County maritime companies with water related operations. The Board of Directors is comprised of Marine Trades, Commercial Fishing, Seafood Processing/Retail, Chandlery/Marine Retail, Shipyards/Manufacturing, Charter/Broker/Passenger business representatives. Board Director Jay Bornstein spoke of WWC goals and in particular the request to participate as a stakeholder in Port projects such as renovation of the Blaine Harbor Industrial Area Plan.

Board Director Lang Solberg (LFS Incorporated) spoke in appreciation of the revised Port financed commercial fishing economic impact study containing information specific to the fishing and seafood processing industry and encouraged Port Commission and staff to keep the information from this study on hand while moving forward with decision making on the waterfront redevelopment.

2. Update – Master Development Agreement (MDA) for the Waterfront District.

Executive Director Rob Fix presented an update on the progress that has been made leading to the proposed Master Development Agreement (MDA) for the roughly 19 acre Master Development Area of the Waterfront District. Mr. Fix highlighted the timeline of completed Waterfront District tasks that included several Port/City community workshops, commission and council meetings, the initial 2005 signing of an agreement with Georgia Pacific for the site as well as the signing and adoption of Master Planning documents with the City of Bellingham in 2013. The five unique character areas of the Waterfront District site include 1) the Marine Trades area, 2) the Downtown Waterfront (37 acres), 3) the Log Pond, 4) Shipping Terminal and 5) Cornwall Beach; a compilation of varying land uses and zoning, offering distinct investment and redevelopment strategies. Mr. Fix explained the Port's Request For Proposals (RFP) issuance, responses received and committee formation and selection process. The RFP review and selection committee included members from the City, Port, and County with the assistance of hired consultants (Heartland). The committee unanimously selected Harcourt Developments, Ireland as the firm most qualified and responsive to the needs of the RFP. Harcourt's vision for the Master Development Area was found to be largely consistent with the Port/City Master Plan with respect to the development of commercial, residential, adaptive reuse, parks and open spaces. Matt Anderson of Heartland described the many facets of drafting the RFP and the Master Development Agreement; a process which started in 2012. Mr. Fix added that in late 2014, the Port visited Ireland to check out Harcourt's operations and completed projects prior to finalizing the agreement as part of the due diligence. The

specifics of the proposed nearly 50 page Master Development Agreement (MDA) identifies the ownership structure and key personnel, includes the development of the Granary Building, identifies the Western Washington University's 6 acre portion outside the 19 acres, and defines property transfers and valuation considerations, scheduling and performance requirements as well as several legal considerations. The next steps toward adoption of the Master Development Agreement include immediately posting the agreement on the Port's website for public review and scheduling a Special Port Commission Meeting to be held on March 31, 2015, at 3:00 p.m. at which time public comment will be heard prior to a vote taken by the Board of Commissioners. The public is welcome to contact the Port with any questions regarding the Agreement during the 2 week review period.

Discussion: Commissioner Robbins asked about the status of the agreement being executed by Harcourt. Mr. Fix responded the Agreement has been sent to Harcourt for signing prior to the March 31st Commission meeting. Commissioner McAuley asked about the City's preparation for implementing the necessary infrastructure. Tara Sundin responded the City of Bellingham has fully funded the first connection to the site pending Commission approval of the MDA on the 31st, park funding is further out. All three Commissioners expressed enthusiasm for getting the first phase of the project going while recognizing the overall development process will take several years.

PUBLIC HEARING ON BELLINGHAM MUNICIPAL CODE (BMC) CHAPTER 12.08

RECESS THE PUBLIC MEETING TO OPEN THE PUBLIC HEARING ON BELLINGHAM MUNICIPAL CODE (BMC) CHAPTER 12.08

Discussion: Port legal counsel Frank Chmelik explained that Washington state statute (RCW 53.08.220) allows port regulations to be included as part of the adopted city or county code. This particular request to repeal City of Bellingham Municipal Code (BMC) 12.08 will allow the port to make upgrades to its harbor electrical systems without being in violation of outdated specifications in the code. Mr. Chmelik further explained that in order to take action, there must be a public hearing. As mentioned at the March 3, 2015 Commission meeting, the Port of Bellingham Commission regularly adopts the Port of Bellingham Harbor Rules and Regulations and Procedures as needed.

CLOSE THE PUBLIC HEARING AND RECONVENE THE PUBLIC MEETING

With no one asking to make public comment, the public hearing was then closed.

ACTION ITEMS:

1. RESOLUTION NO. 1339 CITY OF BELLINGHAM ORDINANCE-BMC CHAPTER 12.08

Motion: Reaffirm Resolution No. 1339 of the Board of Commissioners of the Port of Bellingham requesting the City of Bellingham repeal or substantially modify Bellingham municipal code (BMC) Chapter 12.08 entitled Bellingham Harbor.

Discussion: None.

Motion approved with a 3-0 vote.

2. PROFESSIONAL SERVICES AGREEMENT WITH WILSON ENGINEERING, LLC TO PROVIDE SURVEYING SERVICES FOR THE WATERFRONT DISTRICT DEVELOPMENT.

Motion: Authorize the Executive Director to enter into a Professional Services Agreement (PSA) with Bennett Engineering, LLC to perform landfill monitoring and permitting support services for an estimated cost of \$37,531 plus a 10% contingency for a total authorized budget of \$41,285.

Discussion: Environmental Site Project Manager Brian Gouran reported the Airport Woodwaste Landfill was operated by Georgia Pacific (GP) between 1984 and 1992 prior to GP closing. The Port acquired the property in 2005 and with the acquisition of the property, the responsibility for specific landfill post-closure activities as required by the Whatcom County Health Department. These activities will be required until the landfill is determined to be stabilized which is anticipated to be another 15 to 20 years. Mr. Gouran explained Bennett Engineering LLC was selected in January as the most qualified respondent to perform the scope of services advertised in the Port issued Request for Professional Services.

Motion approved with a 3-0 vote.

3. REQUEST TO INCREASE BUDGET AND CONTRACT WITH STRIDER CONSTRUCTION FOR THE MULTIPLE UTILITY IMPROVEMENT PROJECTS 2014.

Motion: Approve an increase of \$40,000 to the authorized contract amount for the contract with Strider Construction Company for the Multiple Utility Improvement Project 2014 for a total authorized amount of \$1,009,234.19, and increase the budget by \$40,000 for CIP Number 107-464-1900, Fairhaven Marine Industrial Park (FMIP) Waterline Replacement Project.

Discussion: Senior Project Engineer John Hergesheimer explained the proposed increase in the current contract with Strider Construction Company will address the additional piping and paving work needed on the FMIP waterline replacement project resulting from the discovery of more utility conflicts and added requirements imposed by the City of Bellingham Public Works for new connections to the water system and the disconnection of an old water main.

Motion approved with a 3-0 vote.

4. INTERLOCAL AGREEMENT WITH CITY OF BELLINGHAM – INTERIM PUBLIC TRAIL WITHIN THE WATERFRONT DISTRICT.

Motion: Authorize the Executive Director to execute an Interlocal Agreement (IA) with the City of Bellingham to install fencing made necessary by the construction of the Interim Public Trail connecting the Bellwether Peninsula to the temporary Aeration Stabilization Basin (ASB) Trail.

Discussion: Senior Project Engineer Adam Fulton explained Phase 1 of the 2013 Interlocal Agreement between the Port and City for Facilities within the Waterfront District stipulates the establishment of an Interim Trail connecting the Bellwether Peninsula and the ASB Breakwater Trail. In 2014, The Port and City entered into a License for the Interim Public Trail. The complete route of the trail will be on Port property. The proposed Interlocal Agreement allows for the City to construct the entire project and the Port to reimburse the City for the cost of the portion of the fencing installed along the trail providing a security buffer for the Port tenants and at a cost to the Port; not to exceed \$25,000.

Motion approved with a 3-0 vote.

5. PROFESSIONAL SERVICES AGREEMENT WITH CARLETTI ARCHITECTS FOR THE 207 HARRIS AVENUE BUILDING IMPROVEMENTS PROJECT.

Motion: Authorize the Executive Director to enter into a Professional Services Agreement with Carletti Architects to provide design and consulting services for the 207 Harris Avenue Building Improvements project in the amount of \$30,183 plus a 10% contingency for a total authorized amount of \$33,000.

Discussion: Senior Project Engineer Adam Fulton reported the Port's 207 Harris building, (formerly known as the Arrowac Fisheries facility) built in 1993 is now in need of exterior repairs. Mr. Fulton added that of the 4 responses received, Carletti Architects was selected as the most qualified respondent to perform the scope of services advertised in the Port issued Request for Professional Services.

Motion approved with a 3-0 vote.

NEW BUSINESS

None.

ADJOURN

As there was no further business, the meeting was adjourned at 4:40 p.m.



Dan Robbins, President



Michael McAuley, Secretary