

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, JULY 21, 2015
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Commissioners:	
	President	Dan Robbins
	Vice President	Jim Jorgensen
	Secretary	Michael McAuley
Staff:		
	Rob Fix	Executive Director
	Brian Gouran	Environmental Programs Director
	Tamara Sobjack	Finance Director
	Adam Fulton	Facilities Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Sylvia Goodwin	Planning and Development Director
	Shirley McFearin	Real Estate Director
	Mark Leutwiler	Interim Aviation Director
	Marie Duckworth	Airport Landside Manager
	Norman Gilbert	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 noon and immediately recessed to a closed executive session to discuss personnel and real estate pursuant to RCW 42.30.110 (g) (c).

RECONVENE PUBLIC MEETING AND ROLL CALL

Commissioner Robbins called the meeting to order at 3:00 p. m. and announced that all three Commissioners were present.

PUBLIC COMMENT PERIOD

The following people signed up to speak about the Drayton Harbor Dock –See item included on the Meeting Agenda as Action Item No.1:

1. Richard Ray, 8633 Golden Valley, Maples Falls, Wa –Manager, Drayton Harbor Fisheries, spent 5 years working with the Dodds and Blaine Marina- working with over 100 fishermen- and Boundary Fish; would like business to continue.
2. Yvette Ray 8633 Golden Valley, Maples Falls, Wa – Drayton Harbor Fisheries, supported 3 generations as well as many members in the community, asking for continued support from the Port.

July 21, 2015

Page 2

3. Kenneth L. Karlberg, 909 Squaticum Way, Bellingham, Wa – legal counsel for Bingham Fox in support of the Agenda Action Item No. 1- month to month lease. Mr. Fox has worked with the Dodds for many years and now that they are out of business, Bingham Fox is seeking a formal agreement with the Port.
4. Bingham Fox, 3469 Unick road, Ferndale, Wa – has spent over 20 year in the business: Drayton Harbor Fishery- and would like to continue in the family business.
5. Archie Jorgeson, 3953 Griffith Avenue, Bellingham, Wa- spoke in support of Bingham Fox, many years selling fish and crab to Bingham, fair and consistent.
6. Marlin Denus, 6498 Savoa Road, has been fishing for Bingham for 18 years and encourages more competition; better for everyone.
7. Paul Burrill, 706 Fieldston Road, Bellingham, Wa 25 years Sound Pacific Seafood in Blaine, Port tenant and member of the Marina Advisory Committee (MAC). Multiple companies have asked for use of North pier; aware of a request for South pier exclusive use. Not in favor of Port granting exclusivity of the dock to one user, nor granting to a non-Port tenant. Request that businesses be made aware prior to action being taken to Commission that could affect their businesses.
8. Arnold Yuki, 223 Sigurdson Avenue, Bellingham, Wa representing Boundary Fish, processors and a main user of the Southern pier, if others were to use, would hurt his business; oftentimes supports 30 to 40 jobs.
9. Brian Healey –fisherman, Bingham Fox business of 15-20 years is a key operation in the commercial fishing business; important to us.

CONSENT AGENDA

Motion: Adopt Consent Agenda items A through F:

- A. Approve the Port of Bellingham 2016 Budget Schedule.
- B. Contract with Whatcom Builders, Inc. for the 2015 Pavement Repair & Maintenance Projects in the amount of \$102,993.25 plus a \$10,000 contingency for a total authorized contract amount of \$112,993.25; and re-allocate \$11,760 from CIP No. 105-605-1900 to CIP No. 105-603-1900.
- C. Roof and Painting contract with Faber Construction of Lynden, Washington for the 207 Harris Avenue Renovation Project in the amount of \$243,379.30 plus a 10% contingency for a total authorized contract amount of \$267,717.23; and repurpose Budget Line Item 151"Arrowac Backflow Preventer" to this contract.
- D. Application for the Puget Sound Energy (PSE) Businesses Lighting Incentive Program grant for 1000 F Street and Building 6 at Fairhaven Marine Industrial Park (FMIP).
- E. Approval of Sale of Vessels pursuant to Resolution No. 947.

July 21, 2015

Page 3

- F. Contract with Washington State Parks & Recreation Commission for grant funding not to exceed \$23,612 for reimbursement of costs associated with the purchase of pumpout equipment, associated infrastructure, and annual operational costs for Port's pumpout facilities at Squalicum and Blaine Harbors.

Discussion: Commissioners discussed Item F pertaining to the life of the pumpouts and grant funding.

Motion approved with a 3-0 vote.

ACTION ITEMS:

1. BINGHAM FOX D/B/A DRAYTON HARBOR FISHERY- MONTH TO MONTH LEASE.

Motion: Approve a month to month lease between the Port of Bellingham, and Bingham Fox doing business as Drayton Harbor Fishery for property located in the Blaine Marine Industrial Area, Blaine, Washington.

Discussion: Real Estate Director Shirley McFearin presented a brief history and an overview of the site and in particular, the property being considered in the proposed lease with Bingham Fox d/b/a Drayton Harbor Fishery. In May 2015, long time Port tenant, Blaine Marina, Inc. (owned by the Dodd family) terminated their lease for property used for fuel distribution, seafood purchasing and sales of marine supplies, hardware and home furnishings in the Blaine Marine Industrial Area. Upon vacating the premises, Blaine Marina Inc. left two piers, four upland buildings and three fuel tanks. The Port elected to take ownership of the two piers which will need condition assessments and will plan to remove the buildings and fuel tanks. As reflected in the proposed motion, Bingham Fox d/b/a Drayton Harbor Fishery, previously Blaine Seafoods Inc., a former subtenant of Blaine Marina, Inc. has requested a month to month lease for continued use of portions of the property on an "as is" basis for seafood purchasing. There was much discussion regarding other users of the Blaine Marine Industrial Area resulting in a second motion being presented for a vote by the Commission following this one.

Motion approved with 3-0 vote.

Motion No. 2 - Boundary Fish and Sound Pacific Seafoods

Motion: Authorize the Executive Director or his Designee to enter into month to month rental agreements with Boundary Fish for the south pier and Sound Pacific Seafoods for a float; both effective August 1, 2015.

Discussion: Real Estate Director Shirley McFearin reiterated the second motion is the result of many discussions with and in support of the other users of the Blaine Marine Industrial Area.

Motion approved with 3-0 vote.

2. INDEMNIFICATION AGREEMENT BETWEEN CHICAGO TITLE AND THE PORT OF BELLINGHAM RELATED TO FINANCING FROM COLUMBIA BANK TO BELLINGHAM HI, LLC.

Motion: Approve an Indemnification Agreement between the Port of Bellingham and Chicago Title Insurance Company relating to financing from Columbia Bank to Bellingham HI, LLC as it relates to Covenants, Conditions & Restrictions attached to a portion of the BHI Ground Lease.

Discussion: Real Estate Representative Steve Shipman reported the Airport Hotel Lease with Bellingham HI LLC was approved in 2013 and has since been amended and modified several times for a number of reasons including but not limited to: utility services, construction start / completion dates and lease assignment. It was also reported the Developer's lender is unwilling to loan to the developer due to ancient and obscure clouds on title dating back to 1943. The proposed agreement was required to protect the title insurance company from any claim made by the lender against the title company citing damages as having violating the covenants, conditions and restrictions identified in the title search and ensuing policy.

Motion approved with 3-0 vote.

3. CONTRACT EXTENSION- WARRANTY AND SUPPORT PASSENGER PROCESSING SYSTEM AIR-TRANSPORT IT SERVICES, INC.

Motion: Authorize the Executive Director to execute a contract extension with Air-Transport IT Services, Inc. (AirIT) of Orlando, Florida for software warranty, updates and on-call support not to exceed the amount of \$26,487.03. The original warranty updates and support service period ended on May 28, 2015. This pricing reflects a prorated period from May 29, 2015 through December 31, 2015.

Discussion: Airport Operations Supervisor Emily Tuma explained the contract with AirIT for the installation of computer work stations and necessary servers, hardware and software in the BLI commercial terminal was approved by Commission in 2013. As the one year hardware/software warranty and support portion for the equipment has expired, airport staff is requesting the software warranty and service support be continued through December 31, 2015.

Motion approved with 3-0 vote.

4. BELLINGHAM SHIPPING TERMINAL (BST) AND FORMER GEORGIA PACIFIC PIER CONDITION SURVEY AND BST PIER REPAIR MOFFATT & NICHOL PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 2.

Motion: Authorize the Executive Director to execute Amendment No. 2 to the Professional Services Agreement with Moffatt & Nichol to perform additional condition survey/assessment services for the Bellingham Shipping Terminal (BST) and Former Georgia Pacific Pier Condition Survey and BST Pier Repair Project in the amount of \$12,950 for a total authorized contract amount of \$174,650.

Discussion: Project Engineer Norman Gilbert reported the work proposed was brought forward to the Commission and approved in January as a result of an emergency declaration following the Horizon vessel breaking free from its mooring. Because the work has not yet been done due to delays, that contract was canceled and this scope of work is being proposed as an amendment to the contract with Moffatt and Nichol.

Motion approved with 3-0 vote.

5. AMENDMENT NO 40 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ANCHOR QEA FOR THE WHATCOM WATERWAY PHASE 1 SITE CLEAN-UP PROJECT.

Motion: Authorize the Executive Director to execute Amendment No. 40 to the Professional Services Agreement with Anchor QEA for the Whatcom Waterway Phase 1 Site Cleanup Project, in the amount of \$1,938,192 for a total authorized amount of \$11,052,282.50.

Discussion: Senior Project Engineer John Hergesheimer reported the proposed amendment will cover the various construction management support services to be provided through December of 2015. The estimate is based on the American Construction stated schedule to consist of two 12 hour shifts, 6 days a week. The major task components include project/construction management, support and permitting services, oversight, environmental monitoring and institutional controls.

Motion approved with 3-0 vote.

6. AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH WILSON ENGINEERING – LOT LINE ADJUSTMENT – WATERFRONT DISTRICT.

Motion: Authorize the Executive Director to execute Amendment No. 1 to the Professional Services Agreement with Wilson Engineering, LLC in the amount of \$16,142 to prepare a Lot Line Adjustment to accommodate the sale of the real property associated with the Granary Building.

Discussion: Facilities Director Adam Fulton explained the Port entered into a Professional Services Agreement (PSA) with Wilson Engineering LLC to provide surveying services for the General and Specific Binding Site Plan for the Initial Development Offering in the downtown area of the Waterfront District. Mr. Fulton further explained a Lot Line Adjustment is needed in order to complete the sale and transfer of property associated with the Granary Building and meet Harcourt Development LLC's proposed project schedule. The proposed Amendment to the PSA with Wilson Engineering LLC will provide the necessary additional research and mapping services to accomplish this task.

Motion approved with 3-0 vote.

7. FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM GRANT NO. 3-53-0005-52

Motion: Authorize the Executive Director to accept and execute Federal Aviation Administration (FAA) Airport Improvement Program Grant No. 3-43-0005-52 in the value of \$4,792,516.91.

Discussion: Facilities Director Engineer Adam Fulton reported Port staff applied for Grant 52 in March of this year to be used to reimburse the Port for a portion of the Airport Commercial Terminal Expansion (ACTE) project. The proposed grant will help pay for costs not covered by bond funds.

Motion approved with 3-0 vote.

NEW BUSINESS

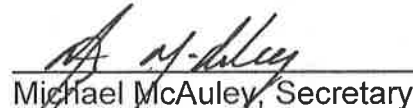
1. Airport Art Policy: Executive Secretary Diane McClain reported a minor error was discovered in the Airport Art Policy, and with no objection, the correction would be made to the policy to reflect the action taken by the Commission on July 7, 2015.
2. Art Installation at the Bellwether: Commissioner McAuley asked for an update on the \$30,000 art installation/payment from Bellwether Gate LLC and Executive Director Rob Fix responded Port staff will look into it and report back.

ADJOURN

As there was no further, Commission President Robbins adjourned the meeting at 4:35 p.m.



Daniel M. Robbins, President



Michael McAuley, Secretary