

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, NOVEMBER 3, 2015
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

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| Present: | Commissioners: | |
| | President | Dan Robbins |
| | Vice President | Jim Jorgensen |
| | Secretary | Michael McAuley |
| Staff: | | |
| | Rob Fix | Executive Director |
| | Sunil Harman | Aviation 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 & Economic Development Director |
| | Shirley McFearin | Real Estate Director |
| | Judy Harvey | Real Estate Representative |
| | Frank Chmelik | Port Counsel |
| | Diane McClain | Executive Secretary |

CALL PUBLIC MEETING TO ORDER AND ROLL CALL

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

PUBLIC COMMENT PERIOD

No one signed up for public comment.

Welcome Port's New Aviation Director

Commission President introduced and welcomed the Port's new Aviation Director Sunil Harman.

CONSENT AGENDA

Motion: To adopt Consent Agenda items A and C as follows:

- A. Approve the minutes of the October 20, 2015, Commission meeting (Executive Secretary reported a typo discovered in an action memo from the October 20th meeting has been corrected for purposes of preparing the minutes.
- B. Authorization to sell vessel, pursuant to Resolution No. 947

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- C. Approve Renewal of Lease with Pacific Cruises Northwest Inc. d/b/a San Juan Cruises located at the Bellingham Cruise Terminal.

Discussion: None.

Motion approved with a 3-0 vote.

RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

Planning and Economic Development Sylvia Goodwin explained the Port's comprehensive scheme of harbor improvement plans are 1) updated periodically and 2) contain planning level estimates for proposed capital improvements and in keeping with RCW 53.20.20. Ms. Goodwin further explained that Resolution No. 1346 has been drafted for this action and will be brought to the Commission for approval at the November 17, 2015 meeting, as will the proposed 2016 Strategic Budget.

PUBLIC HEARING

1. Robin Dexter, 3726 Broad Street, Bellingham, asked about the order of the adopting the comprehensive plan and budget. Ms. Goodwin explained the Port's process in building a budget that supports the comprehensive plan. Mr. Dexter disagreed with the current process and order; preferring the plan of projects to be updated before creating a budget to fund them.

No one else asked to make comments during the hearing. The Commissioners discussed the Port's publication of the hearings in the paper and in the agenda posted on the website.

- **CLOSE THE PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS AND RECONVENE THE REGULAR COMMISSION MEETING**

PRESENTATION

Update –2016 Port of Bellingham Strategic Budget: Finance Director Tamara Sobjack reported the purpose of this portion of the meeting is to seek Commission and public input on the Port's Draft 2016 Strategic Budget first presented to the public and the Commission on October 26, 2015. Ms. Sobjack explained the corporate goals in the proposed draft budget include ongoing Waterfront District development, completion of environment cleanups including the Whatcom Waterway cleanup, airport route and maritime business, waterfront industrial usage, job creation and economic development growth, as well as planning and repair of infrastructure projects. Ms. Sobjack outlined changes to the draft budget to date and the next steps to adopting the 2016 Strategic Budget. In addition to the hearing at this meeting, another public hearing will be held on November 17, 2015. The final budget will be presented to the Commission for adoption November 17, 2015, and filed with the County treasurer on December 7, 2015.

RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING ON THE 2016 STRATEGIC BUDGET

1. Jim Kyle, Waterfront Working Coalition (WWC) - Mr. Kyle commented that he was confused by the public notices and asked that the final draft budget with the narratives be made available prior to the next Commission meeting. Staff agreed to post it on the website on Friday November 6, 2015, prior to the November 17, 2015, Commission meeting.

Commission Discussion: Commissioner McAuley requested and the other Commissioners agreed on an increase to the Economic Development budget for the Small Cities program if needed. No other comments were made from the public during the public hearing.

- **CLOSE THE PUBLIC HEARING ON THE 2016 STRATEGIC BUDGET AND RECONVENE THE REGULAR COMMISSION MEETING**

ACTION ITEMS:

1. AMENDMENT NO. 1 TO THE MASTER DEVELOPMENT AGREEMENT WITH HARCOURT BELLINGHAM LLC.

Motion: Authorize the Executive Director to execute Amendment No. 1 revising Exhibit 4.1 of the Master Development Agreement (MDA) with Harcourt Bellingham LLC extend the timing for completion and submittal of a building permit for the Granary Building by three months.

Discussion: Environmental Director Brian Gouran explained the purpose of the proposed MDA amendment is to extend Harcourt's date requirement for the submittal of the completed Granary building permit from November 19, 2015, to February 19, 2016. Mr. Gouran further noted that this extension does not change any other schedule requirements, including construction completion for the Granary Building.

Motion approved with 3-0 vote.

2. AMENDMENT NO. 9 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ANCHOR QEA FOR THE SQUALICUM CREEK RESTORATION PROJECT.

Motion: Authorize the Executive Director to execute Amendment No. 9 to the Professional Services Agreement with Anchor QEA for the Squalicum Creek Restoration project.

Discussion: Facilities Director Adam Fulton reported the Squalicum Creek estuary habitat restoration project was identified as a priority opportunity by the Bellingham Bay Pilot Work Group. This group was established in 1996 to address the environmental health of Bellingham Bay. The restoration project was planned to be done in two phases. The first was completed in December 2013. This second phase included in the proposed amendment will include design work prior to transferring the project to the City of Bellingham for completion and execution. The Port and City will work together to secure funding and apply for grants for completion of the project. Public Affairs Administrator Mike Hogan also provided a brief

overview and history of the project intended to enhance migration of salmon by improving the fish passage areas.

Motion approved with 3-0 vote.

3. EXCLUSIVE NEGOTIATING AGREEMENT WITH DKORAM LTD AND BFM INC.

Motion: Authorize the Executive Director to execute an Exclusive Negotiating Agreement (ENA) with DKoram, Ltd. and Bio-Fibre Manufactures Inc. (BFM) for approximately 20 acres on the Bellingham Shipping Terminal and Log Pond area to conduct due diligence for exporting logs and bio-fuel materials from these facilities.

Discussion: Maritime Director Dan Stahl reported the proposed ENA is the result of ongoing efforts to bring business to the Bellingham Shipping Terminal and that while the draft of the BST has been an issue, dredging is currently ongoing. Mr. Stahl introduced Bruce Carver of Bio Fibre and Steven Grandorff from DKoram. Mr. Grandorff reported the due diligence period would better identify how much business there might be and estimated that the logs to be shipped out of the BST would be 35+ years old and come from Whatcom, Skagit and Snohomish counties as well as Canada.

Motion approved with 3-0 vote.

4. COHANIM BELLWETHER- BELLWETHER ON THE BAY

Motion: Approval of the following documents:

1. Second Amendment to the Amended and Restated Capital Ground Lease between the Port of Bellingham and Cohanim Bellwether LLC (Building A),
2. Fifth Amendment of the Amended and Restated Capital Ground Lease between the Port of Bellingham and Cohanim Bellwether D LLC (Parcel D-1), and;
3. Sixth Amendment to the Development Design agreement between the Port of Bellingham and Cohanim Bellwether D LLC.

Discussion: Real Estate Representative Judy Harvey explained the proposed documents between the Port of Bellingham and Cohanim Bellwether LLC for Bellwether Building A, and Parcel D-1. Ms. Harvey defined the purpose of the proposed modifications, and as well as the applicable development permitting requirements, and closing terms of the three documents being proposed for approval.


Motion approved with 3-0 vote.

NEW BUSINESS

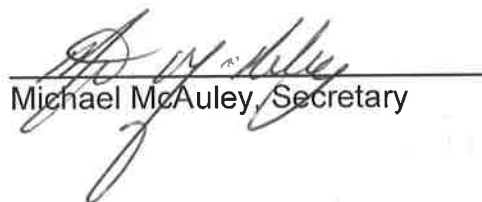
1. **Blaine Walkway-** Jim Jorgensen asked for an update on the walkway to the pier and Planning and Economic Development Director Sylvia Goodwin suggested this item be included on the agenda for an upcoming Commission meeting.

2. **Budget on the website** Commissioner McAuley asked that the budget be made easier to locate on the website. Staff will make improvements to the Port's home page.
3. **Lignin Building-** Commissioner McAuley reported taking a group on a tour of the Lignin Building and suggested the Port consider potential future use of the Lignin Building as an Expo Center or Trade Show floor. Size of the Lignin Building is over 40,000 square feet. Currently, the only other building of this size for exposition hall use is the Lynden fairgrounds.

ADJOURN With no further business, the meeting was adjourned at 3:55 p.m.



Daniel M. Robbins, President



Michael McAuley, Secretary