

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, JANUARY 19, 2010
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen Michael McAuley Scott L. Walker	President Vice President Secretary
Staff:	Fred J. Seeger Rob Fix Art Choat Mike Stoner Dan Stahl Sylvia Goodwin Lydia Bennett Shirley McFearin Carolyn Casey Frank Chmelik Jon Sitkin Mary Matyas	Interim Executive Director Chief Financial Officer Director, Aviation Director, Environmental Programs Director, Marine Services Director, Planning and Development Director, Real Estate Real Estate Development Manager/Broker Communications Manager Port Counsel Port Counsel Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

At 1:00 p.m., Commissioner Jorgensen called the Commission meeting to order and immediately recessed to a closed executive session to discuss real estate transactions pursuant to RCW 42.30.110(1)(c). Commissioner Jorgensen noted that no formal action would be taken during the closed session and he expected the closed executive session to last approximately two (2) hours.

RECONVENE PUBLIC MEETING

The Commission meeting was reconvened at 3:24 p.m.

PUBLIC COMMENT PERIOD

1. Mr. Darren Williams, 4089 Y Road, Bellingham, WA. Mr. Williams noted he was from the Longshoremen's Union ILWU Local 7 and was requesting the Port provide more time and energy to the Bellingham Shipping Terminal (BST). Mr. Williams commented that BST was starting to look neglected; BST needs to be presentable for marketing purposes which he hopes will now be stepped up since all that can be done has been done regarding the NOAA relocation. Mr. Williams also noted that the Port of Bellingham website does not have information on it

regarding the shipping terminal. The shipping terminal could be a source of new money into our local economy and he, and other members of the Local, would like to see the Port become more aggressive in searching for small project cargos.

2. Mr. David Camp, 1121 Grant Street, Bellingham, WA. Mr. Camp noted he covers the Commission meetings for the Whatcom Watch, but is speaking for himself in the public comment portion of the meeting. Mr. Camp voiced concern with the redevelopment plan for the GP site since residential units seem to have a key priority and he noted the GP site should continue to be an area that provides the city with employment. He is also concerned with the idea of the Port selling land instead of using long-term ground leases. Commissioner Walker commented that the Port's concept, since the beginning, has always been that the Port needs the income from land sales to have the funds for the cleanup. He also remarked that it is GP property uplands, not waterfront property, that will likely be sold. Commissioner Walker also noted that typically the Port has used a lease program in the past, but most developers do want to own the real estate they invest in so that they benefit from the land appreciation which they do not receive when leasing.

PRESENTATIONS

1. Marketing for U.S. Census

Mr. Bob Putich, Partnership Assistant with the U.S. Census Bureau, noted that he lives in Bellingham and is attending the Commission meeting to ask the Port to partner with the Census Bureau in support of a complete count of citizens. He commented that the census is important, safe and easy. The federal government distributes more than \$400 billion annually to state, local and tribal governments based on census data and, by law, the Census Bureau cannot share an individual's personal information with anyone, including other federal agencies and/or law enforcement entities. There are only 10 questions on the Census 2010 form. Mr. Putich requested Port Commissioners and staff encourage their neighbors and friends to complete and send in their census forms in a timely manner.

2. Bellingham Bay Community Boating Center

Mr. Dan Stahl, Director of Marine Services, introduced Ms. Mary Durbrow from the Bellingham Bay Community Boating Center (BBCBC), who was the founding President of the BBCBC and who is still very actively engaged with the not-for-profit organization. Ms. Durbrow noted that while officially still the Bellingham Bay Community Boating Center, locally they have shortened their name to the Community Boating Center (CBC).

Ms. Durbrow reported that when the CBC took over the lease from Fairhaven Boatworks in 2007 they had specific goals for the following three-year period and those goals have been met. She explained they have focused on health and safety upgrades; expansion of the kayak and small boat storage; and new kayak, row and sail programs. Ms. Durbrow reported they have increased the user base from 350 in 2007 to 1500 in 2009 with classes accounting for the largest increase in new users. The boating center also utilizes volunteers (2500 hours). Ms. Durbrow noted the following goals for 2010-2015:

- Expand educational programs (community cold water safety campaign; sailing, kayaking and rowing instruction);
- Expand capacity to support educational programs (human resources, financial resources, dock 2013);
- Increase community awareness and involvement; and
- Develop a long-term plan and funding strategy for a new facility.

Ms. Durbrow noted CBC's current lease expires in October 2010; the organization will be working toward creating a long-term plan and will eventually need a longer term lease with the Port before making any major improvements on the site.

WORK-STUDY SESSION

1. Update on the 60% design of the Runway and Taxiway A Rehabilitation

Mr. Art Choat, Director of Aviation, introduced Mr. Shammi Ratti, Senior Aviation Project Manager from URS Corporation, reminding the Commission that Mr. Ratti gave the Commission a 30% design update on the Bellingham International Airport Runway 16-34 and Taxiway A Rehabilitation project in November 2009. Mr. Ratti reviewed that the project includes resurfacing the 6,750 foot runway and widening and resurfacing the 7,250 foot taxiway that parallels the runway. He reviewed the pavement structural assessment and runway profile. Regarding proposed pavement, he noted, a typical runway cross-section will include 6 inches of existing asphalt and 9 to 36 inches of new asphalt; a typical taxiway cross-section will include 10 inches of asphalt, 24 inches of crushed rock and geogrid fabric for pavement reinforcement. Mr. Ratti reviewed the cost estimate at this time as follows:

- Construction cost: \$17,794,000
- Contingency: \$1,933,000 (11% of construction cost)
- Total including contingency and sales tax (8.5%): \$21,404,000
- Total engineering, CM, inspection, testing, and other soft costs: \$2,000,000
- Total project cost including contingency and taxes: \$23,404,000
- Port share (5%): \$1,170,000
- FAA share (95%): \$22,234,000

Mr. Ratti reviewed the proposed schedule which includes submitting 90% engineering plans to the Port and FAA by January 28, 2010; awarding the project at the March 16, 2010, Commission meeting; starting the construction in April with runway night closures from August 2-31, 2010, and runway full closure from September 1-20, 2010, with the construction project completed by the end of November 2010.

2. Update on Airport Annexation

Ms. Sylvia Goodwin, Director of Planning and Development, noted that due to Commissioner McAuley being new to the Commission she has included a bit more background in her update presentation on the annexation of the airport. She briefly reviewed that the Port started installing water/sewer mains on Airport property in the 1950's and in 1984 signed a Utility Easement Agreement with the City of Bellingham. In June 2004 the City adopted a policy stating "the only method available to obtain City utility services for the properties in Bellingham's Urban Growth Area is to annex to the City." In 2007 the City and Port entered into an Interlocal Agreement to conduct an annexation study which was completed in 2008. The Port of Bellingham did commence a lawsuit over the water availability issue and a Standstill Agreement with the City of Bellingham was entered into in December 2008. In 2009 the City of Bellingham provided a letter of water availability for the Airport's Binding Site Plan.

Ms. Goodwin and Mr. Frank Chmelik, Port legal counsel, reported that the Port and the City are working together to create an Annexation Agreement to bring to the Port Commission and City Council for consideration. Issues under discussion include: boundaries of the annexation area, development standards, tax impacts on Port tenants, stormwater fees, traffic impact fees, water availability for future development, and timing of the annexation. It was noted it is likely the earliest the annexation of airport property could possibly occur would be July 2011 due to the many steps needed to complete the process.

3. Update on Interlocal with the City of Blaine regarding Waterfront Station

Ms. Sylvia Goodwin, Director of Planning and Development, reviewed that the purpose of the existing Interlocal Agreement with the City of Blaine is for the Port and City to jointly develop the Wharf District Gateway Area; define each entity's roles and obligations; clarify regulations and impact fees; and to commit to jointly seek grant funds. She reviewed the three (3) planning areas and the City and Port projects under the agreement. Ms. Goodwin reported that an amendment to the Interlocal is being initiated at this time to address issues with the proposed relocation of the train station and would be specific to Planning Area No. 2 (Plover Park) and would clarify Port and City roles and obligations in that area. Issues to be addressed include the Landscape and Site Plan for the entire planning area which is required per BMC 17.23.040.B.1 before any improvements can be made; timing of private mixed-use development (whether public improvements are to be completed prior to or in conjunction with private

mixed-use development); and timing of the relocation of the train station. Ms. Goodwin reviewed proposed responsibilities as follows:

City of Blaine

- Delineate wetlands within Pintail Marsh (dependent on BNSF)
- Preliminary design of Pintail Marsh and Park
- Planning area Landscape and Site Plan (conceptual for entire planning area and detailed for each phased segment).

Port of Bellingham

- Feasibility study for water taxi dock
- Preliminary design of parking lot
- License and legal description for Plover Park

Ms. Goodwin noted that another consideration regarding the train station relocation is whether or not the City of Blaine will accept ownership of the train station building. She noted the City has told the community group interested in keeping the building that funding must be in place to relocate, restore and maintain the facility prior to its relocation. The Port Commission suggested Port staff give them another update on the issue in February once the Blaine City Council has commented on what they would like to have done.

While reviewing the map of the Gateway Development Area, Commissioner McAuley asked staff to indicate the location of the proposed Washington State Department of Transportation (WSDOT) roundabouts. He noted for the record that he is opposed to the proposed roundabouts due to concerns with pedestrian access. Commissioner Jorgensen commented that throughout the public process Blaine citizens voiced similar concerns, but WSDOT is still planning to move forward with the roundabouts at the Interstate 5 ramps at D Street in Blaine.

NEW BUSINESS

1. CITY OF NOOKSACK PARTICIPATION IN SMALL CITY FUND

Motion: Authorize the Interim Executive Director to execute an addendum to the Interlocal Agreement allowing City of Nooksack participation in the Small City Economic Development Fund Program.

Motion approved with a 3-0 vote.

2. LETTER SUPPORTING CITY OF BLAINE'S PLANS TO SEEK FEDERAL FUNDING FOR FINAL PHASE OF LIGHTHOUSE PARK RECLAMATION FACILITY

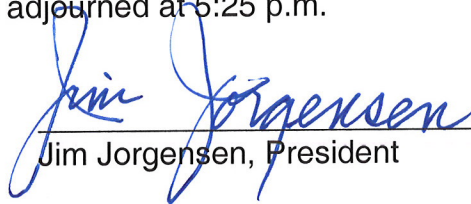
Motion: Authorize the Commission President to sign letters of support for federal funding of the Lighthouse Park Reclamation Facility.

Discussion: Ms. Sylvia Goodwin, Director of Planning and Development, noted the letters to Washington State Senator Maria Cantwell, Senator Patty Murray and Congressman Rick Larsen are in support of the final phase of work on the new Blaine waste water treatment facility. The final phase of work will reroute all waste water flows from the old treatment plant on the Semiahmoo Spit to the new Lighthouse Park Reclamation Facility within the Wharf District and allow the former site to be developed into a Native American historical site.


Motion approved with a 3-0 vote.

ADJOURN

As there was no further business, the meeting was adjourned at 5:25 p.m.



Jim Jorgensen, President



Scott L. Walker, Secretary