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CONSENT AGENDA
ITEM # A-2

**MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD TUESDAY DECEMBER 11, 2018
HARBOR CENTER ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Commissioners:	
	President	Ken Bell
	Vice President	Bobby Briscoe
	Secretary	Michael Shepard
Staff:	Rob Fix	Executive Director
	Sunil Harman	Aviation Director
	Don Goldberg	Economic Development Director
	Brian Gouran	Environmental, Planning Director
	Sylvia Goodwin	Engineering Director
	Tamara Sobjack	Finance Director, Auditor
	Elizabeth Monahan	Human Resources Director
	Shirley Mc Fearin	Real Estate Director
	Mike Hogan	Public Affairs Administrator
	John Michener	Economic Development Specialist
	Frank Chmelik	Port Legal Counsel
	Diane McClain	Executive Secretary

4:30 p.m. – OPEN PUBLIC MEETING, ROLL CALL At approximately 4:30 p.m., Commission President Bell opened the public meeting. For the roll call, all 3 Commissioners were present.

PUBLIC COMMENT PERIOD-

Lynn Murphy, Puget Sound Energy thanked the Commission and Port staff for its support of two projects providing electrification of transportation and the green direct program; involving a long term contract with RES (Removable Energy Services) for the largest solar project in the State of Washington.

Rose Lathrop- Sustainable Connections spoke in support of the agenda item (Action Item No. 4) Memo of Understanding with Corix Utilities Systems for District Energy on the waterfront

CONSENT AGENDA

Motion: Approve Consent Agenda items A-P.

- A. Reaffirm Chmelik, Sitkin, & Davis, P.S., Attorneys at Law, as the Port's general legal counsel retaining the 2018 approved hourly capped rate \$275.00, effective January 1, 2019 for principals, and actual billing rates for associates and paralegals.

- B. Adopt Resolution No. 1183-P designating the Director of Finance as the responsible official for the purpose of issuing statements of official intent to seek reimbursement of capital project costs through the issuance of tax exempt bonds.
- C. Appoint Director of Finance as Auditor and Senior Accountant as Deputy Auditor for fiscal year 2019.
- D. Adopt the Port of Bellingham Rental Revenue Standards for 2019.
- E. Authorize the Executive Director to execute an Interlocal Agreement with the City of Blaine for Design Standards specific to the Blaine Wharf District.
- F. Notification purposes only, per Resolution No. 1358A Small Works Roster: Waterfront District Temporary Parking Lot.
- G. Reallocation of \$67,000 Capital Improvement Project funds: 4 Fairhaven Marine Industrial Park (FMIP) Capital Projects.
- H. Extend Marina Advisory Committee (MAC) member Jim Kyle's term for another 3 years.
- I. Authorize the Executive Director to execute a 3 year Management Agreement with the Northwest Discovery Project, aka The Marine Life Center.
- J. Authorize the Executive Director to execute a Purchase Order in the amount of \$38,805.56 to Ferrotek Corp. for repairs to the POB Oshkosh Striker 1500 aka the Aircraft Rescue & Fire Fighting (ARFF) One truck.
- K. Authorize the Executive Director to execute documents in connection with Cohanim Bellwether LLC and Giardini Naxos, LLC (Guiseppe's) (Bldg. A, 21 Bellwether Way), and Cohanim Bellwether LLC & Sanitary Services Inc.
- L. Approve a Supplemental Lease Agreement between the Port of Bellingham and the United States Coast Guard (USCG).
- M. Authorize the Executive Director to execute a Ground Lessor's Estoppel Certificate, Consent and Agreement in connection with Cohanim Bellwether D LLC construction loan and all agreements for this transaction.
- N. Approve Resolution No. 1354B adopting Harbors' Rules, Regulations and Rates Handbook applying to Blaine Harbor, Squalicum Harbor and the Bellingham Cruise Terminal.
- O. Authorize the Executive Director to enter into an Interlocal Agreement with the City of Bellingham for the sharing of costs for the construction and maintenance of the fireboat boathouse.
- P. Liability Insurance Standards for the Port of Bellingham Agreements for fiscal year 2019.

Motion approved with a 3-0 vote.

ACTION ITEMS

- 1. ESTABLISH THE PORT COMMISSION BOARD OF OFFICERS FOR CALENDAR YEAR 2019.**

Motion: Select the President, Vice President and Secretary to serve on the Board of Commission for the 2019 calendar year.

Discussion: The Commission discussed the duties of the three positions and proposed the following slate of officers effective January 1, 2019:

President: Commissioner Bobby Briscoe

Vice President: Commissioner Ken Bell

Secretary: Commissioner Michael Shepard

Motion approved with a 3-0 vote.

The schedule for 2019 Commission meetings was approved 3-0 by the Commission in the previous meeting, November 20, 2018.

2. SELECT PORT OF BELLINGHAM COMMISSIONERS TO SERVE AS PORT REPRESENTATIVES/ TRUSTEES/BOARD MEMBERS

Motion: Appoint Commissioners to serve as representatives or board members for the following organizations/ committees for the 2019 calendar year:

- A. Whatcom Council of Governments (WCOG)
- B. Washington Public Ports Association (WPPA)
- C. Whatcom County Economic Development Investment (EDI) Program Committee
- D. Western Crossing

Discussion: Following some discussion, the Commission proposed the following Commissioners to fill these appointments for the 2019 calendar year:

Whatcom Council of Governments (WCOG)

Bobby Briscoe (Primary) Michael Shepard (Alternate)

Washington Public Ports Association (WPPA)

Michael Shepard (Trustee) Ken Bell (Alternate)

Whatcom County Economic Development Investment (EDI) Program Committee

Ken Bell (Primary) Briscoe (Secondary)

Western Crossing

Ken Bell (Primary) Michael Shepard (Secondary)

Motion approved with a 3-0 vote.

3. WATERFRONT DISTRICT INTERIM PARKING LICENSE WITH HARCOURT

Motion: Authorize the Executive Director to execute a temporary, non-exclusive Interim Parking License with Harcourt Granary, LLC for the Granary Building Project.

Discussion: Environmental Director Brian Gouran provided an overview of the site and a brief explanation of the Master Development Agreement (MDA) executed between the Port and Harcourt Bellingham LLC for the development of 18.8 acres in the Waterfront District. The Granary Building (located within that parcel) is nearly complete and with the leasing of tenants needing access and further ongoing work in that area, Mr. Gouran discussed the construction schedule, the funding and need for the proposed interim parking license as included in the 2015 MDA.

Motion approved with a 3-0 vote

4. MEMORANDUM OF UNDERSTANDING WITH CORIX FOR THE WATERFRONT DISTRICT ENERGY IMPLEMENTATION STRATEGY

Motion: Authorize the Executive Director to execute a Memo of Understanding (MOU) with Corix Utilities Systems Inc. to develop a District Energy implementation strategy for the Waterfront District.

Discussion: Public Affairs Administrator Mike Hogan provided examples of projects supporting the utilization of green energy systems including the recent installation of the 4 pipe heating and cooling District Energy system in the Waterfront District as approved by the Commission earlier in the year. In April 2018, the Port issued a Request for Qualifications for the development of the District Energy System strategy. A committee of Port, City, Puget Sound Energy, Western Washington University and Sustainable Connection representatives selected Corix Utilities as the most highly qualified private sector utility company to provide the scope of work advertised. Ms. Ivan Safar from Corix Utilities provided an overview of the company and spoke about district energy and its benefits, as well as some of the completed Greenfield projects that were developed in phases. Mr. Hogan and Ms. Safar discussed the proposed MOU, the schedule and next steps for the Waterfront District.

Motion approved with a 3-0 vote.

5 Minute Break

PUBLIC COMMENT PERIOD-

Paul (did not provide last name) encouraged the Port to partner with others to address affordable housing as part of the infrastructure of a healthy community by looking at the cost of housing compared to incomes in Whatcom County.

5. RESOLUTION 1380 UPDATING DISTRICT GUIDELINES FOR COMPLIANCE WITH STATE ENVIRONMENTAL POLICY ACT (SEPA)

Motion: Adopt Resolution No. 1380 updating guidelines for compliance with the provisions and requirements of the State Environmental Policy Act (SEPA) and repealing related Port Resolutions 1244 and 1297.

Discussion: Environmental Director Brian Gouran explained the Port adopted Resolution No. 822 to establish guidelines for compliance with the State Environmental Policy Act (SEPA) in 1984 and the Port's last update to the SEPA guidelines occurred in

2007. Mr. Gouran further explained proposed Port Resolution No. 1380 will update the guidelines by assigning a new Port official as the SEPA Responsible Official and provide the optional process of publicizing a public comment period (for up to 30 days) on an Addendum to an existing SEPA document.

Motion approved with a 3-0 vote.

6. ADDENDUM TO THE INTERLOCAL AGREEMENT REGARDING ECONOMIC DEVELOPMENT SERVICE PROVIDERS

Motion: Authorize the Executive Director to execute an Addendum to the Interlocal Agreement between the Port of Bellingham, City of Bellingham and Whatcom County regarding a coordinated approach to funding and contracting with economic development service providers.

Discussion: Economic Development Specialist John Michener provided a brief background on the Interlocal Agreement executed in 2016 for a three year period 2017-2019. The proposed addendum if approved by all three parties would extend the agreement another three years. Areas of economic development services include but are not limited to business startup, retention, expansion, recruitment, and marketing assistance. Mr. Michener discussed upcoming 2019 staffing, funding obligations, budget allocations as well as the plan to explore development ideas for Cherry Point, Infrastructure, and Broadband services, identified as special projects.

Motion approved with a 3-0 vote.

• RECESS THE PUBLIC MEETING TO OPEN THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC) BOARD MEETING

At approximately 6:05 p.m., Commission President Bell recessed the public meeting and opened the meeting of the Industrial Development Corporation. For the roll call, all 3 Commissioners were present.

IDC AGENDA ACTION ITEMS

1. APPOINTMENT OF OFFICERS FOR THE 2019 PORT OF BELLINGHAM INDUSTRIAL DEVELOPMENT CORPORATION (IDC) BOARD.

Motion: Select officers for the Industrial Development Corporation's Board of Directors for the 2019 calendar year.

Discussion: Executive Director Rob Fix explained that in the past, the Commission has opted to mirror the previously selected regular board of officers for the IDC board, with the addition of the Finance Director as Treasurer. In doing so, for 2019, President of the IDC would be Commissioner Bobby Briscoe, Vice President Commissioner Ken Bell and Secretary Commissioner Michael Shepard. Treasurer would be Tamara Sobjack.

Motion approved with a 3-0 vote.

2. ESTABLISH DATE, TIME, AND LOCATION OF IDC MEETINGS.

Motion: Establish the date, time and location of the regular Industrial Development Corporation (IDC) meetings for the 2019 calendar year.

Discussion: Executive Director Rob Fix explained that the IDC meets on an as needed basis and that in the past, those meetings have been held during a regularly scheduled Port Commission meeting.

Motion approved with a 3-0 vote.

3. MINUTES OF THE JANUARY 02, 2018, IDC MEETING

Motion: Adopt the minutes of the January 2, 2018, IDC Board Meeting.

Discussion: None.

Motion approved with a 3-0 vote.

4. 2019 BUDGET FOR THE INDUSTRIAL DEVELOPMENT CORPORATION

Motion: Authorize a 2019 Budget for the Industrial Development Corporation (IDC) totaling revenues of \$6,125 and expenditures of \$700 as outlined in the attached budget, authorize the IDC Treasurer to approve distribution and payment of IDC funds in conjunction with this budget.

Discussion: Finance Director and IDC Treasurer Tamara Sobjack reported there has been minimal IDC budget activity other than revenue from Hempler bonds issued in 2006, audit and banking fees.

Motion approved with a 3-0 vote.

CLOSE THE IDC MEETING AND RECONVENE THE PUBLIC MEETING

PRESENTATIONS

Waterfront Update –Environmental Director Brian Gouran reported the last regularly scheduled Waterfront District development update was presented to Commission in August 2018. Mr. Gouran presented an overview of the General schedule and milestones, status of the Subarea Plan amendment process, Port and City waterfront projects (*Granary Avenue and Laurel Street, Waypoint Park, District Energy, Site Safety and Security*), Harcourt projects (*Granary Annex & Tenant Improvements, Waterfront Residential, Office and Boardmill Hotel*), Master Development Agreement (MDA) Amendment No. 4 and ongoing waterfront efforts (*Bellingham Shipping Terminal marketing, Site Safety and Security, Marine Trades, GP Wharf, Interim Use ideas i.e. installation of a Pump Track and ongoing Environmental Cleanup*). Mr. Gouran explained that in addition to staff providing information, regular updates are an opportunity for staff to receive input and general direction from the Commission. There will be future discussions planned regarding the cleanup of the I & J Waterway and the ASB (Aeriation Stabilization Basin). Mr. Gouran introduced Harcourt's expanded Bellingham management team Max Duffy and Tony Gallina present to answer any questions. There was some discussion with Terminal Business Development Manager

Chris Clark about activity at the Bellingham Shipping Terminal and Max Duffy on the upcoming residential units.

Advisory Committee Announcements

OTHER BUSINESS

The Commission briefly discussed and asked staff to prepare updates to the Commission on the following items:

1. Web Lockers- Web locker tenant compliance in response to recent letters sent out.
2. Adequate moorage to accommodate growth at the Bellingham Shipping Terminal facility (i.e. moorage dolphins added to eastside of Waterway).
3. Use of Log Pond Water and Aeration Stabilization Basin (ASB)
4. Jorgensen End Pier in Blaine- Final plan for improvements, accessing, funding and cost sharing
5. Western Crossing at the Waterfront District timing, funding, direction

RECESS TO CLOSED EXECUTIVE SESSION At approximately 7:25 p.m., it was announced that the commission meeting would be recessed to an executive session to discuss pending litigation matters pursuant to RCW 42.30.110(1 (i). The executive session was expected to last approximately ½ hour with no formal action being taken by the Commission during the executive session.

RECONVENE PUBLIC MEETING At approximately 7:55 p.m., the public meeting was reconvened.

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ADJOURN

With no further business, the meeting was adjourned at approximately 7:58 p.m.

President

Secretary