

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, DECEMBER 3, 2013
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen	President
	Michael McAuley	Vice President
	Scott L. Walker	Secretary
Staff:	Rob Fix	Executive Director
	Daniel Zenk	Aviation Director
	Mike Stoner	Environmental Director
	Carolyn Casey	External Affairs Director
	Fred Seeger	Facilities Director
	Tamara Sobjack	Finance Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Shirley McFearin	Real Estate Director
	Judy Harvey	Real Estate Representative
	Adam Fulton	Senior Project Engineer
	John Michener	Economic Development Specialist
	Dodd Snodgrass	Economic Development Specialist
	Frank Chmelik	Port Counsel
	Diane McClain	Executive Secretary

1:30 CALL PUBLIC MEETING TO ORDER AND IMMEDIATELY RECESS TO CLOSED

EXECUTIVE SESSION Commissioner Jorgensen called the meeting to order at 1:30 p. m. to report that the purpose of the closed session would be to discuss pending litigation, and real estate transactions pursuant to RCW 42.30.110(1) (i) (c).

3:00 RECONVENE PUBLIC MEETING, ROLL CALL

Commissioner Jorgensen reconvened the meeting to order at approximately 3:05 p. m and took roll care.

PUBLIC COMMENT PERIOD

1. Terry Montonye, 408 Fieldston Bellingham, WA- Best for Bellingham Bay- Mr. Montonye recommended Port consider Boatels for the storage of boats on the waterfront.
2. Graham Youtsey, 549 Wildrose Lane, Lynden, WA –Janitorial RFP – Mr. Youtsey spoke of the Port's Request For Proposals for janitorial management services.
3. Bert Webber, 3935, Cliffside Drive, Bellingham WA – Airport Noise – Mr. Webber commented on airport noise, BIAAC committee representation.

4. Matt Petryni, 2309 Meridian, Bellingham, WA – Waterfront- Mr. Petryni spoke of the Blue Green Coalition, Waterfront development, site clean-up, habitat, living wage jobs and support from the community.
5. Bob Burr, 1130 40th, Bellingham WA- Waterfront- Mr. Burr congratulated the Port in negotiations with City on the Waterfront, requested a response to the article in the NW Citizen publication.
6. Niel Pfundt, 2814 40th St., Bellingham WA- Waterfront- Mr. Pfundt spoke of the ASB use, marina and potential moorage.
7. Jeff Hegedus, 900 Donovan, Bellingham, WA –Waterfront - Mr. Hegedus acknowledged Port leadership, support for the Waterfront plan, public process, City of Bellingham's efforts as well as other groups' over the years.
8. Wendy Harris- Ms. Harris spoke against the Waterfront Plan citing the poor health of the bay due to shoreline development, ignored mitigation for plant and animal connectivity.
9. Layne Southcott – United Creatives, 4 Pillars Development – Mr. Southcott commented on the potential for the Waterfront, as a model for the rest of the country and world-potential economic stimulator.
10. Lloyd Zimmerman- Mr. Zimmerman urged the Port to move forward, support for the plan; commented it is an exciting time.

COMMISSION COMMENTS

Following the closing of public comments, Commissioners Jorgensen, Walker and McAuley spoke of the history of the waterfront planning and redevelopment project, acquiring the property from Georgia Pacific in 2005, the years of work and process that went into bringing the Master Plan documents forward for adoption.

CONSENT AGENDA

Motion: Approve Consent Agenda items A – F as follows:

- A. Approval of the minutes of the November 5, 2013, and November 19, 2013, Regular Commission Meetings.
- B. Approval of a Voucher Certification for period October 30, 2013, - November 20, 2013, totaling \$2,909,064.90.
- C. Approval of a motion to write-off delinquent account balance for Snow Removal Systems in the amount of \$11,418.79.
- D. Approval of a Renewal and Modification of Lease between the Port of Bellingham and Harbor Bell Financial Services, Inc.
- E. Approval of a Renewal and Modification of Lease between the Port of Bellingham and Ouilette Brothers Yacht Sales d/b/a Bellingham Yacht Sales.

- F. Authorize the Executive Director to execute Amendment No. 7 to the Professional Services Agreement (PSA) with Anchor QEA to perform archeological monitoring for the Squalicum Creek Restoration Project in the amount of \$8,580 plus a 10% contingency for a total authorized PSA amount of \$592,024.50.

Discussion: None.

Motion approved with 3-0 vote.

ACTION ITEMS

1. WATERFRONT DISTRICT MASTER PLAN DOCUMENTS.

Motion: Approve the following Resolutions and Agreements subject to the City of Bellingham adopting and approving the same documents without change, including those listed as the “Waterfront District Master Plan Documents” in Resolution 1327 and authorizing the Executive Director to execute the Development Agreement and the Waterfront District Interlocal Agreement for Facilities between the Port of Bellingham and the City of Bellingham.

Discussion: Environmental Director Mike Stoner acknowledged members in the audience from the City Council as well as past City of Bellingham Mayor Mark Asmundson and current City of Bellingham Mayor Kelli Linville, and thanked them as well as Port and City staff for their help in getting to this stage of the adoption process. Mr. Stoner explained that the City of Bellingham Council reviewed and approved the package of documents with eight changes made to the documents. Changes include language updates to the SubArea Plan, edits to correct mode shift percentages, format corrections, exhibit references affordable housing goals and living wage goals; additions incorporated into the set of documents before the Commission for approval. The commissioners discussed the changes generally and there was some discussion about the living wage job goal addition to the Development Agreement. Commissioner Jorgensen expressed support of the change as a goal as opposed to a requirement. Mr. Stoner explained that it was a goal of both the City and the Port to provide living wage jobs but that it was not a binding requirement.

Motion approved with 3-0 vote.

Motion: Approve Resolution No. 1327 Approving the Waterfront District Master Plan Documents as meeting the Requirement for the “New Whatcom Development Plan”, as defined in the 2005 Interlocal Agreement:

Exhibits

- a. 2013 Sub-Area Plan for the Waterfront District
- b. Development Regulations and Design Standards
- c. Development Agreement for the Waterfront District
- d. Waterfront District Planned Action Ordinance
- e. The Waterfront District Interlocal Agreement for Facilities

Discussion: There was no additional discussion on Resolution No.1327.

Motion approved with 3-0 vote.

Motion: Approve Resolution No. 1328 Amending the Squalicum Harbor Comprehensive Scheme of Harbor Improvements by establishing the Waterfront District Comprehensive Scheme of Harbor Improvements, Including the Bellingham Shipping Terminal Comprehensive Scheme of Harbor Improvements as a subordinate site-specific Master Plan in the Waterfront District Comprehensive Scheme of Harbor Improvements, Declaring certain property with the Waterfront District surplus to the needs of the Port, and Determining that the Port has received “True and Full Value” as required by RCW 43.09.210.

- Exhibit A – Notice of Public Hearing,
- Memo of Understanding By and Between the Port, Western Washington University, Western Crossing Development
- July, 2013 Property Development Plan
- True and Fair Value of Waterfront District Parks and Rights-of-Way

Discussion: Environmental Programs Director Mike Stoner spoke of the Comprehensive Scheme of Harbor Improvements and explained that the proposed documents are necessary to be executed by the Port to be able to move forward. Commissioner McAuley explained that because he had voted against the Memo of Understanding (MOU) between the Port, Western Washington University, and Western Crossings Development when presented to the Commission at a previous meeting, he would not vote in favor of this motion containing the MOU.

Motion approved with 2-1 vote. Commissioners Jorgensen and Walker voted in favor, Commissioner McAuley voted against.

BREAK- Commissioner Walker thanked everyone for their hard work as did Executive Director Rob Fix acknowledging the City staff participation and partnership. The Commission agreed to take a five minute break.

2. PROPOSED INTERLOCAL AGREEMENT BETWEEN THE PORT, WHATCOM COUNTY AND THE CITY OF BELLINGHAM FOR THE EXCLUSIVE USE OF THE SPECIAL PURPOSE FACILITY AT 3888 SOUND WAY, BELLINGHAM, WASHINGTON.

Motion: Authorize the Executive Director to execute an Interlocal Agreement between the Port of Bellingham, Whatcom County and the City of Bellingham for exclusive use of the Special Purpose Facility located at 3888 Sound Way, Bellingham, Washington.

Discussion: Real Estate Director Shirley McFearin explained that the Port-owned Special Purpose Facility located at the Airport Industrial Park was previously used by the Federal Government as an emergency center for the 2010 Winter Olympics. Ms. McFearin further explained that both the City of Bellingham and Whatcom County have expressed interest in using the facility as an emergency operations center for their respective emergency operations. The term of the proposed Agreement is for ten years beginning January 1, 2014, with the option for the City or the County to terminate at the end of the fourth year, providing the Port has been given six months prior written notice. Ms. McFearin explained the terms pertaining to use of the facility, use payments, maintenance, repairs, liability etc. and then introduced guests Whatcom County Administrator Dewey Dessler, City of Bellingham Fire

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Chief Roger Christensen Assistant Fire Chief Bill Newbold, Whatcom County Sherriff Bill Elfo, and City of Bellingham Police Chief Clifford Cook.

Motion approved with 3-0 vote.

3. COMMERCIAL LEASE BETWEEN THE PORT OF BELLINGHAM AND MOVEMENT MORTGAGE LLC AT THE BAYVIEW CENTER BUILDING, SUITE 110.

Motion: A motion by the Commission approving a Commercial Lease Agreement between the Port of Bellingham and Movement Mortgage LLC for approximately 2,590 square feet at the Bayview Center Building, Suite 110.

Discussion: Real Estate Representative Judy Harvey reported that the proposed lease agreement with Movement Mortgage LLC is for a term of one year with four consecutive one-year renewals. Movement Mortgage will use the office space for professional mortgage services and employ six to 10 people. Upon approval, the transaction will bring the occupancy level for the Bayview Center Building to 94%.

Motion approved with 3-0 vote.

4. CONVEYANCE OF ASSETS- OWNERSHIP OF INTERSTATE 5, STATE ROUTE 11, AND FAIRHAVEN SIGNAGE.

Motion: Authorize the Executive Director to convey the ownership of Port signage located on the State and City's properties to the State and City, respectively.

Discussion: Senior Project Engineer Adam Fulton explained that the Port paid for the design, fabrication and installation of the way finding signs located along Interstate 5, State Route 11, and within the City of Bellingham Right-of-Ways through the Fairhaven area; the last sign installed in December 2012. Mr. Fulton added that Port staff is recommending the transfer of maintenance, liability and ownership of these signs to the City of Bellingham and the Washington State Department of Transportation.

Motion approved with 3-0 vote.

5. AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH COAST & HARBOR ENGINEERING FOR THE LITTLE SQUALICUM BEACH IMPROVEMENTS PROJECT.

Motion: Authorize the Executive Director to execute Amendment No.3 to the Professional Services Agreement (PSA) with Coast & Harbor Engineering (CHE) to create 100% completion level drawings for the Little Squalicum Beach Improvements Project in the amount of \$28,324 for a total authorized contract amount of \$113,794.

Discussion: Senior Project Engineer Adam Fulton explained that the Bellingham Bay Demonstration Pilot which works to improve the environmental health of Bellingham Bay, identified the northwest shoreline of the Mt. Baker Peninsula as a priority habit restoration opportunity. For this phased project, CHE was selected to provide the scope of work that includes design and permit improvements to the degraded, artificial shoreline of Mt. Baker

Plywood, along the northwesterly bank. Mr. Fulton further explained that the engineering and design phase cost is 100% reimbursed by the Washington State Department of Ecology (not including staff time)

Motion approved with 3-0 vote

6. INCREASE TO THE AIRPORT COMMERCIAL TERMINAL EXPANSION BAGGAGE HANDLING SYSTEM CONTRACT.

Motion: Authorize the Executive Director to increase the total authorized contract amount with Glidepath, LLC on the Airport Commercial Terminal Expansion – Baggage Handling System project, for baggage portering costs during the project delay, caused by the Transportation Security Administration (TSA) in the amount of \$150,000 for a new total authorized contract amount of \$3,896,564.49.

Discussion: Senior Project Engineer Adam Fulton explained that the Airport Baggage Handling System project has had various delays due to multiple changes by the TSA resulting in the proposed increase to the contract. Mr. Fulton added that 95% of the costs will be reimbursed to the Port by the TSA as per the Other Transaction Agreement (OTA) the Port entered into with the TSA.

Motion approved with 3-0 vote.

7. INTERLOCAL AGREEMENT REGARDING ECONOMIC DEVELOPMENT SERVICE PROVIDERS.

Motion: Authorize the Executive Director to sign an 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 explained that the three year Interlocal Agreement the Port, City, and County executed in 2010 for the shared funding and contracting of economic development services for Whatcom County is expiring December 31, 2013. These services include but are not limited to business retention, business expansion, assistance to start ups, and research and data support. Mr. Michener added that the proposed Interlocal Agreement would continue this coordinated approach to economic development services and funding for three more years (2014-2016).

Motion approved with 3-0 vote

PRESENTATION

1. Economic Impacts of the Port of Bellingham

Economic Development Specialist Dodd Snodgrass introduced John Martin of Martin Associates in business since 1979, to explain the purpose and the results of the study recently completed for the Port of Bellingham. Mr. Martin presented an overview (attached) of the methodology of the 2013 Port of Bellingham's activities impact on the economy. Mr.

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Martin reported that the Port of Bellingham is a key economic engine for Whatcom County with respects to total job impact and job creation and state and local tax generation. Executive Director Rob Fix reported that the information obtained in the study is valuable for many uses and that the final study would soon be available to the public and posted on the Port's website.

ADJOURN

As there was no further business, the meeting was adjourned at approximately 5:35 p.m.

President

Secretary

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
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Present:	Jim Jorgensen	President
	Michael McAuley	Vice President
	Scott L. Walker	Secretary
Staff:	Rob Fix	Executive Director
	Daniel Zenk	Aviation Director
	Mike Stoner	Environmental Director
	Carolyn Casey	External Affairs Director
	Fred Seeger	Facilities Director
	Tamara Sobjack	Finance Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Shirley McFearin	Real Estate Director
	Mark Leutwiler	Airport Manager
	Judy Harvey	Real Estate Representative
	Mike Hogan	Environmental Analyst
	Brian Gouran	Environmental Site Project Manager
	John Hergesheimer	Senior Project Engineer
	Adam Fulton	Senior Project Engineer
	John Michener	Economic Development Specialist
	Judy Harvey	Real Estate Representative
	Steve Shipman	Real Estate Representative
	Frank Chmelik	Port Counsel
	Diane McClain	Executive Secretary

3:00 CALL PUBLIC MEETING TO ORDER AND ROLL CALL

Commissioner Jorgensen called the meeting to order at approximately 3:05 p. m. and recognized and thanked Commissioner Walker for his 22 years of service and experience on the commission board.

Mr. Jorgensen also announced that Commissioner McAuley was running late due to an emergency at work.

PUBLIC COMMENT PERIOD

1. Lane Southcott, Bellingham, WA – 4 Pillars -Mr. Southcott reported that the Sea Orbiter goes into production in March 2014 in France. Mr. Southcott added that the United Creative group has been meeting with contractors and developers and wished Commissioner Walker well on his retirement.

2. Bert Webber- 3939 Cliffside Drive, Bellingham, WA - Mr. Webber asked the Port to negotiate with Homeland Security, address the noise and safety factors of smaller airplanes and helicopters, direct staff to work with the Tower- Noise Abatement issues, FAA regulations.
3. Keith Carpenter, Wood Stone, Bellingham, WA – Mr. Carpenter provided an update re: the recent acquisition of Wood Stone (22 years in operation) by Henny Penny, an Ohio company(in business for 57 years). Mr. Carpenter defined the acquisition as a good move and in keeping with Wood Stone's plans for expansion and continuity at the location near the airport.

COMMISSION COMMENT PERIOD –Commissioner Walker shared his memories of some of the people, historic events and Port accomplishments during his 22 year period serving on the Port of Bellingham Commission. He acknowledged long time Bellingham news writer John Stark, wished the new Commission board well and thanked Port staff for their concerted efforts and professionalism.

Commissioner McAuley arrived at approximately 3:30 p.m.

CONSENT AGENDA

Motion: Approve Consent Agenda items A – C as follows:

- A. Authorize the Executive Director to extend an Interlocal Agreement with the City of Bellingham and Whatcom County for shared consultant services-Government Affairs.
- B. Authorize the sale of vessel, pursuant to Resolution No. 947.
- C. Approval of a Lease Agreement between the Port of Bellingham and Leap Frog Water Taxi, LLC for office space inside the Bellingham Cruise Terminal

Discussion: None.

Motion approved with 3-0 vote.

ACTION ITEMS

1. BELLINGHAM INTERNATIONAL AIRPORT PAY PARKING REVENUE MANAGEMENT SYSTEM.

Motion: Authorize the Executive Director to execute a sole source Purchase Order to Entrance Controls Inc. of Tukwila, WA in the amount of \$41,856.25, plus a 10% contingency for a total authorized contract amount of \$46,041.88, to upgrade the parking revenue management system software and hardware at Bellingham International Airport.

Discussion: Airport Manager Mark Leutwiler explained that the pay parking lots at Bellingham International Airport use revenue management software (ScanNet) and supporting system (Windows XP) that is outdated and staff is proposing a contract with Entrance Controls to provide the necessary upgrades and installation of new parking software.

Motion approved with 3-0 vote.

2. AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH LANDAU ASSOCIATES FOR THE REMEDIAL INVESTIGATION AND INTERIM ACTION AT THE WESTMAN MARINE SITE.

Motion: Authorize the Executive Director to execute an amendment to the Professional Services Agreement with Landau Associates, adding \$63,000 for a total authorized amount of \$631,700, including contingency, for implementing a Remedial Investigation and Interim Action at the Westman Marine site.

Discussion: Environmental Programs Director Mike Stoner reported that the Westman Marine site in Blaine was identified by Washington State Department of Ecology as a Model Toxics Control Act (MTCA) site and that Landau Associates was retained by the Port in 2011 to provide consulting and negotiating support. The proposed scope of work in Amendment No. 3 represents additional services as part of the Remedial Investigation/Feasibility Study for the site.

Motion approved with 3-0 vote.

3. PROFESSIONAL SERVICES AGREEMENT WITH FAIRBANKS ENVIRONMENTAL TO PERFORM A FORAGE FISH STUDY OF INNER BELLINGHAM BAY.

Motion: Authorize the Executive Director to execute a Professional Services Agreement with Fairbanks Environmental Services to perform a Forage Fish Study of inner Bellingham Bay in the amount of \$39,300.

Discussion: Environmental Analyst Mike Hogan explained that the Bellingham Bay Demonstration Pilot which works to improve the environmental health of Bellingham Bay through comprehensive strategic environmental planning that integrates the cleanup of polluted sediments, the restoration of historically lost habitat, pollution control and waterfront property revitalization. The proposed Forage Fish Study over a period of 20 months will provide data specific to surf smelt and sand lance spawning at beach sites in inner Bellingham Bay. The cost of the study is 100% reimbursable by the Washington State Department of Ecology (not including Port staff time).

Motion approved with 3-0 vote.

4. AMENDMENT NO. 17 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ASPECT CONSULTING, LLC FOR THE CAUSTIC PLUME INTERIM ACTION CONSTRUCTION MANAGEMENT.

Motion: Authorize the Executive Director to execute Amendment No.17 to the Professional Services Agreement (PSA) with Aspect Consulting, LLC to increase the scope and budget by \$97,713 for a total authorized budget of \$2,866,133.

Discussion: Environmental Site Project Manager Brian Gouran reported that in 2008, the Port entered into a Professional Services Agreement (PSA) with Aspect Consulting LLC to perform a Remedial Investigation/Feasibility study (RI/FS) at the Georgia Pacific West Site

under an Agreed Order (AO) with the Washington State Department of Ecology. The AO was amended in 2011 to allow the Port to complete a multi-phase interim action at the site and the second phase of work in the proposed amendment pertains to the construction management support for the removal, stabilization and disposal of soil impacted with elemental mercury.

Motion approved with 3-0 vote

5. INCREASE TO THE CONTRACT WITH STRIDER CONSTRUCTION CO. INC., FOR THE GP WEST CAUSTIC PLUME/ CELL BUILDING.

Motion: Authorize an increase to the total authorized contract amount with Strider Construction Co., Inc. for the GP West Caustic Plume/Cell Building Interim Remedial Action Project in the amount of \$1,100,000 for a new total authorized contract amount of \$4,783,745.58.

Discussion: Senior Project Engineer John Hergesheimer explained that the Port Commission approved the request for a second increase to the contract with Strider Construction in November for completion of additional cleanup work associated with the unexpected discovery of mercury contamination underneath the cell building. Mr. Hergesheimer further explained that visible elemental mercury has been uncovered and the proposed third request for additional funds is necessary for the remaining work to address the removal, stabilization and disposal of the additional contaminated soil.

Motion approved with 3-0 vote

6. AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ASSOCIATED PROJECT CONSULTANTS, INC. P.S. FOR THE GATE 3 FIRE SPRINKLER PRESSURE LINE PROJECT.

Motion: Authorize the Executive Director to execute Amendment No. 1 to the Professional Services agreement with Associated Project Consultants, Inc., P.S. on the Squalicum Harbor Gate 3 Fire Sprinkler Pressure Line Project to provide engineering and bidding support in the amount of \$62,441 for a total authorized contract amount of \$98,616.

Discussion: Facilities Director Fred Seeger explained that the proposed action pertains to the City of Bellingham's fire ordinance for additional fire protection to the boathouses at Squalicum Harbor. Port staff, the City of Bellingham Fire Department, the Marina Advisory Committee (including the a subcommittee of Boathouse Owners) have worked together with Associated Project Consultants (APC) to develop design options and cost estimates for the fire protection of open slips and boathouses at Gate 3, Squalicum Harbor. Of the three options considered, the group selected the 'modified combined system' as the best and most economical option as defined in the memo and proposed Amendment No. 1 to the PSA with APC to provide engineering and consulting services for the design/bid documents for the Gate 3 Fire Sprinkler Pressure Line Project.

Motion approved with 3-0 vote

7. AMENDMENT NO. 9 TO THE PROFESSIONAL SERVICES AGREEMENT WITH URS CORPORATION FOR THE COMMERCIAL TERMINAL EXPANSION PROJECT.

Motion: Authorize the Executive Director to execute Amendment No. 9 to the Professional Services Agreement (PSA) with URS Corporation to perform conceptual programming for the inclusion of the United States Customs and Border Protection agency (Customs) within the Airport Commercial Terminal in the amount of \$20,025 for a total authorized PSA of \$5,877,522.

Discussion: Senior Project Engineer Adam Fulton explained that the proposed amendment is the next addition to the original scope of work for an overall main airport terminal conceptual design established in the PSA with URS Corporation in 2009. Mr. Fulton added that the PSA has been amended several times for design, drawings, signage, and construction support services, over multiple years and phases.

Motion approved with 3-0 vote

8. SERVICES AGREEMENT WITH WESTERN WASHINGTON UNIVERSITY FOR ECONOMIC DEVELOPMENT SERVICES.

Motion: Amend the 2014 Strategic Budget to increase the Economic Development Outside Services budget by 53,750, and authorize the Executive Director to sign a Services Agreement between the Port of Bellingham and Western Washington University in the amount of \$215,000 to fund Small Business Development Center services; and appoint John Michener, Economic Development Specialist at the Port of Bellingham, as Port liaison for this Agreement.

Discussion: Economic Development Specialist John Michener explained that in 2012 and 2013, the three entities funded the WWU Small Business Development Center (SBDC). Mr. Michener further explained that the Tri-Funders Allocations Committee representing the Port, City of Bellingham and Whatcom County are recommending 2014 joint funding for the WWU for SBDC. The Port and City would each pay 25%, the County the other 50%. Mr. Michener added that the proposed Agreement for Economic Development Services would include but not be limited to business retention, business expansion, assistance to start-ups and research and data support.

Motion approved with 3-0 vote

9. TWO MONTH EXCLUSIVE RIGHT TO NEGOTIATE LETTER BETWEEN THE PORT AND JEFF KOCHMAN TEAM FOR THE REDDEN MARINE REDEVELOPMENT MIXED USE PROJECT.

Motion: Authorize the Executive Director to execute a Two Month Exclusive Right to Negotiate Letter between the Port of Bellingham and the Jeff Kochman Team.

Discussion: Real Estate Director Shirley McFearin explained that in August, the Port advertised for the Request for Qualifications and Vision (RFQV) for the Redden Marine Mixed Used Development property located at the corner of Roeder Avenue and Bellwether Way. The Kochman Team (Pete Dawson, Terry Brown and Jeff Kochman) was selected as most responsive of the three replies to the RFQV. Port staff is proposing the "Two Month Exclusive Right to Negotiate" Agreement to begin January 1, 2014, which authorizes Port staff to

negotiate a Ground Lease with the Kochman Team. Concurrently, the Kochman Team will negotiate a Sublease Agreement with Redden Marine; subject to Commission approval at a later date. Todd Rawls, CFO, Redden Marine spoke in favor of the proposals and presentations received for the project, thanking Port staff and speaking on behalf of Redden Marine. Real Estate Representative Judy Harvey provided an overview of the development site plan, project vision, phased approach, 35'- 50' height restrictions and proposed schedule for development. Mr. Kochman reported that the team is excited about the opportunity.

Motion approved with 3-0 vote

10. COMMERCIAL LEASE AGREEMENT BETWEEN THE PORT OF BELLINGHAM AND G.R. BARON AND COMPANY FOR SPACE AT THE FAIRHAVEN STATION.

Motion: Approval of a Commercial Lease Agreement between the Port of Bellingham and G. R. Baron and Company for use of approximately 995 square feet of office and storage space located on the upper level of the Fairhaven Station.

Discussion: Real Estate Representative Steve Shipman reported that the proposed commercial lease agreement is for a term of two years and meets the Port's rental revenue standards.

Motion approved with 3-0 vote

11. MODIFICATION OF AIRPORT HOTEL LEASE AGREEMENT BETWEEN THE PORT OF BELLINGHAM AND BELLINGHAM HI, LLC.

Motion: Approval of a modification of Airport Hotel Lease Agreement between the Port of Bellingham and Bellingham HI, LLC.

Discussion: Real Estate Representative Steve Shipman explained that the Commission approved the Airport Hotel Lease in June 2013 with Bellingham HI, LLC (BHI) to develop, construct and operate a full service hotel, conference center and restaurant facility on approximately 3.8 acres located adjacent to the Bellingham International Airport. BHI is requesting additional land (approximately 39,640 square feet) in order to expand the size of the meeting/banquet/restaurant facilities as well as increase the number of parking stalls as required by Whatcom County code.

Motion approved with 3-0 vote

NEW BUSINESS

1. CONSENT TO ASSIGNMENT OF SHARE AGREEMENT BETWEEN WOOD STONE CORPORATION AND HPS INVESTMENT CO. LLC.

Motion: Authorize the Executive Director to execute all documents relating to the Consent to Assignment of Shares Agreement between Wood Stone Corporation and HPC Investments, LLC.

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Discussion: Real Estate Representative Steve Shipman reported that the Port of Bellingham and Wood Stone entered into a ten year lease agreement in 1999 and renewed in 2010 the first of five, five-year renewal options. The lease provides for written consent by the Port should Wood Stone choose to transfer stock to a third party and under the proposed Consent to Assignment of Share Agreement between the two parties, Wood Stone remains the Lessee and thereby responsible for payment of rent and all other requirements under the terms of the Lease between the Port and Wood Stone.

Motion approved with 3-0 vote

NEW BUSINESS

None.

ADJOURN

As there was no further business, the meeting was adjourned at approximately 5:00 p.m.

President

Secretary