

Report for LWV of Port of Bellingham (POB) Commissioners Public Meeting

February 7, 2012

Public meeting convened at 3:00, Martha Mills attending for LWV.
All three commissioners and directors of different Port departments are present.

Public Comment Period

Public comment by Darren Williams of the Longshoremen's Union thanking the Port staff and commissioners for the repairs and improvements to the Bellingham Shipping Terminal, e.g. piling repairs, work on the terminal, and the marketing campaign. The present use by Greenberry is not the best long-term use of the terminal facility.

Consent Agenda

- A. Approve minutes for meetings of January 3 and 17, 2012.
- B. Authorize a one year Interlocal Agreement with the City of Bellingham for reciprocal use of certain public facilities up to a maximum of three uses per year.
- C. Voucher certification and approval November 28, 2011 – December 25, 2011.

All approved.

Action Items

Aviation

- 1. U.S. Customs, lease extension for two years for international arrivals until the airport expansion project is completed and it is determined where Customs will be located on the airfield. Approved.

Environmental

- 2. Anchor QEA. PSA to complete a remedial investigation/feasibility study (RI/FS) for the I & J Waterway. This work has been on hold since 2007 pending dredge material analysis. Also involved is the navigable depth of the channel for Bornstein Seafoods, which involves updated cost sharing and will be presented in a future document. Staff will also be contacting the Coast Guard, which uses the federal part of the channel and does not want other facilities in the channel that would cut off their access. The environmental options for the channel are dredging, capping, and natural recovery; the latter is probably viable here.

Commissioner McAuley asked why this has been pending since 2007? Mike Stoner, Director of Environmental Programs, explained that working with other agencies takes time and there have been many rounds of public review and comment, hopefully there will only be one round of review on this project. A 20% contingency is included in the contract. Commissioner Walker asked if dioxin is anticipated to show up in the tests? Yes, there are low levels of dioxin in Bellingham and the bay, 11 to 20 parts per trillion, additional dredging in the I & J waterway is not expected. Marine water in Puget Sound has 4 parts dioxin per trillion. The levels are way below the level of concern. Approved.

Maritime

3. Chris and Heather Lange, dba Coffee Junction, lease amendment in the Fairhaven Station. Commissioner McAuley asked about the seating arrangement in the leased space and pointed out two misspelled words. Approved.

Real Estate

4. Brown's Airport Restaurant, dba Scotty Browns, lease modification to change substantial completion date of March 15, 2012 to June 15, 2012. Unforeseen delays of state approval taking seven months and liquor license taking four months (both substantially longer than anticipated) resulted in delay in custom design, which is complex because reducing normal 5000 sq. ft. to 1500 sq. ft. The tenant hopes to open in May. In exchange, the Port is agreeing to install floor drains, valued at about \$8000.

Commissioner Walker asked if this facility will be similar to the restaurant in Barkley? The manager explained that 3500 to 4000 sq. ft. is ideal, for example their "Z" restaurants in Canada. Restaurant space is custom designed, so it has been a challenge to reduce to fit the space available. Until the liquor license was approved, design could not begin. The menu will be 15 to 20 items, fast prep, and take out to an aircraft. Hours will be 5:30 a.m. to 9:00 p.m. It will be behind security, so not available to G.A. (general aviation).

Commissioner McAuley asked about Halibut Henry's – it will move closer to Allegiant on the south end of the terminal.

Approved.

5. Trailhead Athletics, Inc. lease at Marina Square. This is for an athletic training facility. Real estate staff understands the commissioners' goal of using space in this area for marine uses but many vacancies right now. One of the owners, Nicole Mann, explained that the business does personal fitness and small group training and have many clients in the area, including at Bellingham Cold Storage. The facility is not a full equipment gym, use minimal equipment,

likes access to trails in the area, many of their clients bike or run to their facility, so not a large traffic impact. They do not have enough room at their present location, do no advertising, and have no visibility, so growth is by word of mouth. Approved, including a \$1730 real estate commission fee.

6. Greenberry Industrial LLC. Modification of commercial lease for additional outside storage space at Bellingham Shipping Terminal. One acre for storage only, so total space now seven acres with 46,000 sq. ft. building. Up to 100 people are working at the site, plus the cleanup and construction workers in the area. Commissioner McAuley asked about a stop sign and the truck route? Mike Stoner, Director of Environmental Programs, explained about Chestnut St. and limited way access and will investigate the situation. Approved.

Work Study Session

Update – 4th Quarter financials and year end report presented by Rob Fix, CFO.

Operating budget in 2011 was up 3% from 2010. Expenses were kept to 99% of budget. Real estate revenue was down a bit. The airport grew to 500,000 enplaned passengers last year.

New Business

ReSources storm water lawsuits. Director Mike Stoner explained that the Port staff works to have a good relationship with ReSources, works with them, do tours, are transparent. There was layer after layer of storm water permits for the G. P. site and Resources was given a tour of how the Port is managing those projects, also for Whatcom Waterway, which was useful. The project costs have been twice the estimate, so are keeping the City informed, know there will be additional expense.

Adjourned at 4:35.