

**MINUTES OF THE PUBLIC MEETING OF THE BELLINGHAM PUBLIC DEVELOPMENT AUTHORITY
BPDA OFFICE, 11 BELLWETHER WAY
TUESDAY, JANUARY 19, 2010**

CALL TO ORDER

The meeting was called to order at 12:10 p.m. by Ken Hertz, Chairperson.

ATTENDANCE

A quorum of the Board was in attendance, including the following Board members:

Scot Barg
Rud Browne, Vice-Chairperson (at 12:15 p.m.)
Ken Hertz, Chairperson
Bruce MacCormack
Brian Steele, Treasurer
Heather Wolf

Others in attendance included:

Alison Henshaw, BPDA Administrative Assistant
Joan Hoisington, COB City Attorney
Michael Lilliquist, Bellingham City Council member
Jim Long, BPDA Executive Director
Jack Weiss, Bellingham City Council member

OPEN PUBLIC COMMENT PERIOD

There were no comments from public participants.

APPROVAL OF PRIOR MINUTES

Heather Wolf moved to approve the minutes of the December 15, 2009 Regular Board Meeting. The motion was seconded by Brian Steele and unanimously approved.

ADMINISTRATIVE MATTERS AND BOARD ACTIONS

1. Election of 2010 Board officers (Chairperson, Vice-Chairperson, and Treasurer)

- a. Scot Barg nominated Ken Hertz as Chairperson, who declined the nomination citing travel plans.
- b. Heather Wolf nominated Scot Barg as Chairperson. The motion was seconded by Brian Steele and carried 4-0-1 with Scot Barg abstaining.
- c. Brian Steele nominated Heather Wolf as Vice-Chairperson. The motion was seconded by Scot Barg and carried 4-0-1 with Heather Wolf abstaining.

- d. *Bruce MacCormack nominated Brian Steele as Treasurer. The motion was seconded by Heather Wolf and carried 4-0-1 with Brian Steele abstaining.*

COMMITTEE REPORTS: FINANCE AND OPERATIONS

1. B. Steele reported on the meeting of the Finance and Operations Committee held January 12 during which expenditures through year-end were reviewed, and the re-appropriation of authorized but unexpended 2009 funds (approx. \$120,000) anticipated to be available for 2010. The reallocation and proposed uses of those funds, will be added to the 2010 budget approved by City Council in December 2009.
 - a) Proposed BPDA budget re-allocations were discussed and were generally agreed upon, subject to final approval of re-appropriations for the City 2010 budget which is expected in March. Reallocations include BPDA staff performing due diligence and the first phases of strategic planning, previously to be performed by Shiels Oblatz Johnsen (SOJ), which would be expected to result in insufficient funds under the SOJ contract to complete that strategic plan. SOJ's scope of work would be reduced to financial analysis of the properties following due diligence, and remaining funds would be used to support other aspects of strategic planning (e.g. base mapping and conceptual site planning). SOJ has agreed with this approach and their work would be suspended until a revised scope of work/contract is prepared.
 - b) Other reallocations result from modification of tenant improvements to the BPDA office space, to reduce environmental mitigation costs.

BUSINESS CARRIED FORWARD FROM PRIOR MEETINGS

1. Property Acquisitions & Assemblage

- a) Transfer(s) of City-Owned Properties to the BPDA:

Council approval of management and/or ownership agreements for the following parcels is anticipated for the February 8 Council meeting at which time the Mayor would be authorized to execute the documents. These agreements are for:

- R.G. Haley (Douglas Management) Parcel – conveyance agreement.
- Army Street Parcel – conveyance agreement.
- Federal Building – management agreement.

These documents have been prepared by BPDA Special Counsel (K&L Gates) and reviewed by the City Attorney and the BPDA Executive Director. Copies of the most recent drafts were distributed to the Board members, and any redrafts will be distributed to the Board for comment prior to the February 8 Council meeting. The BPDA Board previously approved the transfer and conveyance of the parcels to the BPDA.

- b) Property Exchanges between City of Bellingham and the Port of Bellingham:

No update.

2. City/Port/WWU/BPDA meeting:

The BPDA Chairperson and Executive Director met with the Mayor to discuss the merits of a meeting of senior executives for the major property interests involved in waterfront development (City, Port, WWU, BPDA) to discuss common strategies, development objectives and needs, etc. The Mayor has expressed interest in that meeting and expects to participate. This meeting, if it can be arranged, would be expected to occur sometime in April.

3. Graphics and communications program:

Double M Ranch Design, which submitted a more comprehensive proposal than the other received, proposed \$50,000 for a wide range of applicable services. The BPDA Executive Director has asked them for a revised proposal and price for more limited and immediate services focusing on logo and tag line development, website development and content management, with limited collateral materials and communications services. A budget amount of \$15,000 - \$20,000 was set aside in the reallocated budget. Double M's client base, experience with the public sector, and communications/content management is expected to be advantageous. Their first task would be to present 3-5 alternative logo graphic concepts for Board consideration to determine if there is acceptance of styles that are presented.

There was some discussion about the limited responses received to the RFP, the hiring of Double M Ranch and the desire not to delay the set-up of public communication tools.

Brian Steele and Heather Wolf moved to approve hiring Double M Ranch for the BPDA's Identity Package. The motion was seconded by Rud Browne and carried 5-0-1. Bruce MacCormack abstained.

NEW BUSINESS:

None.

EXECUTIVE DIRECTOR'S REPORT:

1. Strategic Plan: Brief discussion of the early work, especially due diligence and goal/objective/evaluation criteria formulation to be performed by BPDA staff, to extend funds available for other elements and analysis that would be required to complete a strategic plan with available funds.
2. Property Due Diligence: Work is in-progress on the compilation of available records and documents from all sources pertaining to the BPDA parcels. Further work is required, which will be somewhat time-consuming, and will be done by BPDA staff.
3. BPDA Offices: Currently awaiting a change order incorporating modifications of the scope of work to avoid or reduce environmental remediation costs. It is anticipated that final pricing will be more in line with 2010 budgeted funds for this work. Thirty (30) days are allowed for the work. Completion is projected in mid-March.
4. General Management and Administrative Policies: K&L Gates has prepared an initial draft of policies required for audit compliance. This is being reviewed by the Executive Director and Administrative

Assistant. A revised draft will be delivered for review and adoption by the Board, if possible for the February Board meeting.


5. Accounting Services/RFP: The Executive Director has not prepared an RFP for expanded accounting services, pending definition of the services that would be required and particularly the definition of property management accounting duties between the City and BPDA. B. Steele suggested that 2010 be considered as a transition year delaying the separation of finance and accounting functions between the City and BPDA. This was generally well received.
6. Grants Consultant RFP: The Executive Director has not prepared an RFP for grants research and grant-writing services, while researching possible providers and specialists in this field. K. Hertz pointed out that grant funds to accomplish environmental clean-up of rentable spaces in the Federal Building will be prerequisite to marketing and leasing that building, as grant funds will likely be the only source of funding for completing clean-up and renovation work. Work will continue as a priority to prepare and release the RFP.
7. General - Legal Services: There was discussion of supplementing legal work being done by K&L Gates as special counsel with local legal firms for more operational needs of the BPDA (e.g. due diligence, title and real estate matters, etc) to provide future cost efficiencies. This was generally well received and will be pursued.

ADJOURNMENT

The meeting was adjourned at 1:32 p.m. by Ken Hertz, Chairman.

Final Minutes Approved:

Respectfully submitted,
Alison Henshaw, BPDA Administrative Assistant


BPDA Board Member