

**MINUTES OF THE PUBLIC MEETING OF THE BELLINGHAM PUBLIC DEVELOPMENT AUTHORITY  
MAYOR'S BOARD ROOM, CITY HALL, 210 LOTTIE STREET  
TUESDAY, MAY 18, 2010**

**CALL TO ORDER**

The meeting was called to order at 12:00 p.m. by Scot Barg, Chairperson.

**ATTENDANCE**

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

Scot Barg, Chairperson  
Ken Hertz (by telephone)  
Bruce MacCormack  
Brian Steele, Treasurer  
Chris Webb  
Heather Wolf, Vice-Chairperson

Others in attendance included:

Alison Henshaw, BPDA Administrative Assistant  
J. Gordon, Geo Engineers and Board Member, Bellingham Public Library Board of Trustees  
Pam Kiesner, Bellingham Library Director  
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 asked that the minutes of the April 20, 2010 regular board meeting be amended to show that she made a motion to approve the minutes of the March 16, 2010 regular board meeting, but that she did not second the motion. The BPDA Administrative Assistant said she would amend the April 20, 2010 draft minutes accordingly.

***Brian Steele moved to approve the minutes of the April 20, 2010 Regular Board Meeting, as amended.  
The motion was seconded by Heather Wolf and unanimously approved.***

**COMMITTEE REPORTS: FINANCE AND OPERATIONS**

A meeting of the Finance and Operations Committee was held on May 11, 2010. Jim is working on a revised format for the budget which will separate G&A categories from expenditures specific to projects, with a separate budget for each project and consolidated budget for the BPDA. The City Finance Department has assigned staff to work with BPDA on developing and administering this budget. The intent is to provide a format that will allow the BPDA and the Board to organize and monitor revenues and expenditures by operational and project specific categories and accounts. It is anticipated that the new format will be

completed for review at the June 8, 2010 Finance & Operations Committee meeting, along with a proposed preliminary 2011 budget.

The City's budget process begins in June with submittals for proposed capital expenditures, which are to be defined per City accounting requirements for capitalized costs but as a general rule are \$50,000 or more. It is not anticipated that there will be any capital expenditures for the BPDA in 2011. Jim expects that the 2011 BPDA budget for G&A expenses should not exceed the 2010 budget allocation although the total budget may be increased reflecting the addition of management projects and properties being conveyed to the BPDA in 2010 and 2011. The committee also discussed the logo and identity package.

#### **BUSINESS CARRIED FORWARD FROM PRIOR MEETINGS**

1. CY 2010-2015 BPDA Strategic Plan Version 0.1, May 2010:

The draft Strategic Plan was distributed to the Board in April. Jim will make editorial changes suggested by the Board's review of the draft. Upon Board approval of the Strategic Plan, Jim will distribute it to the City Executive Department, City Council members, and other involved individuals and groups with follow-up meetings over the next several weeks. Ken would like the parties to understand that the priority ranking of the projects could change up or down in future updates of the Strategic Plan as additional information is available on the projects and conditions affecting their acquisition and development change.

*Heather Wolf moved to approve Resolution 2010-1 Adopting the 2010-2015 Bellingham Public Development Authority Strategic Plan, Version 0.1, May 2010. The motion was seconded by Brian Steele and unanimously approved.*

2. Engagement of selected graphics and website consultant. Three responses were received to BPDA's request for services, ranging from \$9,000 to \$10,000. The recommendation of the Communications Committee, comprising Bruce, Scot and Ken, is to hire Softwired's team. The project will take 4 – 6 weeks. The committee plans to meet with Softwired next week and will oversee the work of the consultant.

#### **NEW BUSINESS:**

1. Board member reappointments and replacements. Scot Barg's term will expire in July. The BPDA will inform the Mayor of the Board's recommendation that Scot be reappointed. Bruce MacCormack's term will also expire in July, but he is not seeking reappointment due to time constraints and civic commitments. The Board may forward recommendations to Jim for Bruce MacCormack's replacement, which Jim will then pass along to the Mayor.

#### **EXECUTIVE DIRECTOR'S REPORT:**

1. 600 West Holly Street Project Update – management agreement redraft, sketch plan:

The BPDA's attorneys are recrafting the draft management agreement, which will include consideration of the implementation of the roles and responsibilities of the City and the BPDA as manager of the City asset. General discussions are in progress with the three educational institutions for the joint planning and development of an environmental center and research facility.

The next step is for the institutions to provide a space program to the BPDA and involved City staff for the building and for a preliminary economic model of the proposed development to be prepared. The BPDA will prepare a Concept Design Phase plan for the site and building based on the space program and work with City staff to prepare a preliminary financial model to guide future discussions with the school consortium.

The use of a 63-20 bond financing program, with the building owner and users paying rent to meet debt service securing the financing, is a prototype being researched as a possible financing vehicle. A non-profit organization would issue the debt (ideally sold in a private placement) and develop the facility, with the bond not secured as a general obligation or liability to taxpayers, and ownership reverts to the City and/or the non-profit entity upon the retirement of the debt.

The BPDA's role in the development, should it progress, and those of the other involved institutions, is to be determined but may expand to include the management and possibly the development of the project. Ken recommended that a sub-set of Board members assist by participating in future meetings and discussions as the concept moves forward. Heather and Scot agreed to participate.

2. 1115 Cornwall Avenue Property Update – conveyance agreement: The conveyance agreement is being redrafted, with changes clarifying the roles and responsibilities of the parties with particular attention to its continued interim use for public parking and future marketing for sale. The Strategic Plan anticipates that a Concept Design Phase Plan be prepared for the property's desired future development with supporting studies included in a RFQ/RFP package delivered to selected qualified developers and sold to generate BPDA operating revenue. Parking would likely be included in the project. Current gross parking revenue from the property generates approximately \$22,000 a year.
3. Federal Building - property management and leasing services agreement: The BPDA is updating and revising the property management agreement between the City and Saratoga, and revising a standardized lease for the building. The overall intent is to convert the building from its former single tenant status to a multi-tenant commercial asset. The City's oversight management of the asset has formerly been provided by the Dept of Public Works and this function is being shifted, along with the transfer of 2010 budgets, to the Finance Department.
4. Grant Research Consultant Proposals: The BPDA extended the response time to solicit more firms to submit a proposal. Three were received initially. The second round of contacts produced one more proposal. Jim will evaluate the proposals and make a recommendation to the Finance and Operations Committee for consultant selection. The Finance and Operations Committee may interview the finalist(s).

#### **ADJOURNMENT**

The meeting was adjourned at 12:50 p.m. by Scot Barg, Chairperson. Final Minutes Approved:

Respectfully submitted,  
Alison Henshaw, BPDA Administrative Assistant

  
Scot Barg, BPDA Chairperson