



BOARD OF COMMISSIONERS
Meeting Minutes

125 Easy St. - Wenatchee, WA 98801
Wednesday, February 15th, 2006

9:00 am

Present:	James H. Knapp, President Michael H. Mackey, Vice President JC Baldwin, Secretary Mark Urdahl, Executive Director Pete Fraley, Legal Counsel Monica Lough, Internal Auditor	Ron Johnston-Rodriguez, Economic Development Director Dayle Rushing, Property Management & Risk Management Judy Bradford, Business Manager/Recording Secretary Laura Jaecks, CTC Building Manager Carleen Elliott, Accounting Assistant Jon Eberle, Real Estate Consultant Karen Kornher, Port Engineering Consultant
Others:	Bill Stokes, Chelan County Resident	Nevonne McDaniels, Wenatchee Business Journal Jim Fletcher

Commission President Mike Mackey opened the regularly scheduled commission meeting at 9:00 am.

Consent Agenda*

Motion No. **02-01-06**
Moved By: *James H. Knapp*
Seconded By: *JC Baldwin*
Motion:

To approve the consent agenda consisting of the approval Jan 18th & Feb 1st regularly scheduled Commission meeting minutes, Jan 12th and Jan 25th, 2006 special commission meeting minutes, Resolution 2006-01 appointing Mike Mackey as voting representative and Jim Knapp as alternate representative for WVTC, Media Relations Agreement with Cocker Fennessy, Resolution 2006-02 appointing Mike Mackey as voting representative and Jim Knapp as alternate representative for NCRTPPO, Cordell Neher Letter of Engagement for 2006, Pangborn Memorial Airport register pages (#1028 - #1030), Port register pages (#1958-#1964) consisting of the following:

<u>Register Page:</u>	<u>Voucher:</u>	<u>Total</u>
	#25389- 25396 & electronic payroll deposits	\$ 50,420.23
#1958 --Jan 2006 Payroll-1/31/06	#10113 -- 10121	57,765.18
#1959 – Jan Month End-1/31/06	#10122 -- 10123	12,804.74
#1960-- Capitalized-2/15/06	#10124 -- 10134	55,506.26
#1961 – CTC - 2/15/06	#10135 -- 10156	110,252.89
#1962-- Jan bills paid-2/15/06	#10157 -- 10175	32,305.21
#1963 – Same - 2/15/06	#10176 -- 10181	905.21
#1964 -- Jan Expns Reimbrs 2/15/06		<u>905.21</u>
		\$319,959.72

77 warrants totaling \$ 319,959.72 for approval **February 15, 2006.**

Motion Carried.

Item from Commissioners

Commissioner Knapp read aloud Resolution 2006-03 (a copy of which is attached to these minutes) recognizing and expressing appreciation for the significant work and effort the Port Executive Director does for the Port of Chelan County on a daily basis and, in particular, in overseeing the successful lease negotiations between Yahoo! Inc and the Port. Resolution 2006-03 directs the Executive Director to take vacation time and awards a 5% salary increase.

Motion No. **02-02-06**
Moved By: *James H. Knapp*

Seconded By: JC Baldwin
To approve Resolution 2006-03 recognizing and expressing appreciation for the significant work of the Executive Director, directing him to take vacation time and awarding him a 5% salary increase. Motion Carried.

Urdahl acknowledged staff and consultant contributions to the successful efforts in the successful negotiations with Yahoo! Inc.

Pangborn Memorial Airport

Pat Moore provided an updated activity report to the Commissioners. January's activity report is attached.

Moore reported an engineering meeting was held last week to complete the work on the south-end of the runway. The construction completion date of March 20th is still the goal.

Moore met yesterday with the two ports on the airport binding site plan. Pete Fraley provided a brief history of how hangars have been constructed in the past. Various scenarios have been developed for Douglas County to facilitate the development of private hangar space. These will allow the airport to use existing code conditions to move forward with development plans at the airport for private hangar space. The Port of Douglas will take the lead.

Urdahl reported receiving a very complimentary e-mail from DHL about Pat Moore and her staff and their handling of DHL's relocation at the airport.

Pat Moore reported that DHL's operations had increased and their current space was too inconvenient and insufficient for DHL's needs. DHL was moved to another hangar to improve access where their operations will no longer affect other aircraft owner tenants.

Commission Mackey apologized to the guests at the commission meeting, acknowledged their presence and asked Mark Urdahl to introduce the guests.

Confluence Technology Center

Update

Laura Jaecks asked if Commissioners had any questions regarding her report sent to them via e-mail prior to the meeting. She reported there were thirty-one events in the video conference center last month which is up from the prior months.

Jaecks reported that the Condominium Association board meeting centered on business items regarding moving Yahoo's project forward. She explained the warranty period on the video conference center projectors is up today. Debbie Thompson, the center's technical person, is recommended accepting the projectors.

Jaecks attended the strategic planning session for GWATA facilitated by Delore Zimmerman of CEO Praxis on Monday afternoon. The Greater Wenatchee Area Technology Alliance (GWATA) mission is aligning with the port's direction in cluster development for technology

Commissioner Knapp noted that there was an echo on the other end of the conference call with Kevin Timmons last Thursday in the video conference center. He wanted to bring it to Jaeck's attention to see if it can be remedied for callers on the other end of the phone conversation. Jaecks will check into the matter.

Directors Report

City of Wenatchee Waterfront Development Project Update

Allison Williams, City of Wenatchee Executive Services Director, provided a power point presentation to update the Commissioners on progress made in the Wenatchee Waterfront development project. (A copy of the power point presentation is attached to the minutes.)

Williams noted the total development project will amount to an investment of about \$114 million creating 540 jobs and 724 new live/work spaces. The end result will be a totally revitalized waterfront district from fifth street to ninth street in the downtown area.

Williams reported that a TIB grant has been awarded to design and obtain rights of way for Riverside Drive. It is, however, contingent on private partners.

The project will flow from north to south beginning with the arena development at Walla Walla Point Park down to the Riverside Drive development on to the dock and parking expansion project at the end of Orondo street.

Update on Small Business Development Center

Fletcher distributed the results of the Small Business Development Center for the last calendar year. He assisted with \$4.8 M dollars for business growth and retention (capital formation). Fletcher reported he has experienced returning clients with needs for business growth assistance. It is small private equity that funds most small businesses rather than bank loans.

Fletcher also provided information reporting where many of his clients come from.: 65% are Chelan County area residents some local, but most relocated to the area. Wenatchee addresses make up the bulk of the 65%.

Fletcher explained that SBDC continues to focus on client hours as the performance measurement. The goal is a client mix focusing on growing businesses and retention. SCORE is there to help start-ups. CTED (Washington State Community Trade and Economic Development) endorses this approach.

Fletcher networks with the local angel venture capital group. He has met with them and has a close relationship. He helps in preparing applicants for funding requests.

He reported he has been working with Wells Fargo Bank for investment capital to grow Quest's revolving loan fund. Wells Fargo is reluctant to invest due to the size of the funding entity. The county needs new sources of funding for existing funding programs. Quest's loan fund is a bridge gap funding source.

Commissioner Mackey announced that Agenda Item C will be acted on after Executive Session.

The following action was taken on the port calendar after the addition of a staff requested meeting in Chelan on February 8th, an incubator center meeting at the Port on February 9th, and the Leavenworth Chamber Banquet on February 9th.

Calendar*

Air Service Task Force Meeting	Port of Douglas	01-09-06
Lake Chelan Chamber Lunch	Chelan	01-09-06
Lake Chelan Rotary	Chelan	01-10-06
Wenatchee Valley Transportation Council	Wenatchee	01-12-06
Cashmere Chamber Banquet	Cashmere	01-16-06
CTC Condo Assn Board Meeting	CTC	01-17-06
Council of Governments	East Wenatchee	01-19-06
Entiat Chamber Banquet	Entiat	01-19-06
Staff Requested Meeting	Chelan	01-23-06
Staff Requested Meeting	Wenatchee	01-23-06
Cashmere City Council Meeting	Cashmere	01-23-06

Special Commission Meeting	Port	01-25-06
Port/PUD Lease Update Meetings	Port	02-03-06
PMA Overlay Update Meeting	Pangborn	02-06-06
WVTC Executive Council Meeting	Wenatchee	02-07-06
NCRTPO Meeting	Chelan	02-08-06
Special Commission	Wenatchee	02-09-06
PNWA Regional Planning Session	Richland	02-10-06
Wenatchee World Editorial Board Meeting	Wenatchee	02-10-06
Lake Chelan Chamber Meeting	Chelan	02-13-06
CTC Condo Assn Meeting	CTC	02-14-06

Motion No. 02-03-06

Moved By: James H. Knapp

Seconded By: JC Baldwin

To approve the Port calendar for Commissioners and staff with the addition of 1) a staff requested meeting in Chelan on February 8th, 2) an incubator center meeting at the Port on February 9th, and 3) the Leavenworth Chamber Banquet on February 9th.
Motion Carried.

Executive Session

The meeting was recessed to executive session at 9:53 am to discuss real estate matters and a personnel matter.

Regular session was reconvened at 11:19 am.

CTC Condo Declaration Amendment*

The following action was taken.

Motion No. 02-03-06

Moved By: James H. Knapp

Seconded By: JC Baldwin

To approve the amendments to the Condominium Declaration establishing the CTC condominium in the form presented with Laura Jaecks signing as the manager of the Confluence Technology Center and Mark Urdahl signing as the Executive Director of the Port and as President of the Condominium Association.
Motion Carried.

There are contingencies in the lease which the Port had the ability to resolve by the approval of the lease amendment.

Pete Fraley presented the Declaration Affirming the Lease Commencement Date to the Commissioners for approval. This document establishes the Lease Commencement Date as February 15, 2006; the Rent Commencement Date at July 15, 2006, and, unless earlier terminated in accordance with the Lease, the initial Term of the Lease shall expire on February 29, 2016.

Motion No. 02-03-06

Moved By: JC Baldwin

Seconded By: James H. Knapp

To approve the Declaration Affirming the Lease Commencement Date and authorize the Executive Director to sign the Declaration.
Motion Carried.

Commissioner Knapp left the meeting to meet with media.

Pete Fraley explained the Port needs something formal from Yahoo for delivery of the plans which then triggers the ten business day review period. The review period is to protect the Port's interest in the building, and how the plans affect Port space and Port tenants in the building. In the Port's review of the plans, the Port should scrutinize for anything that might have been missed or inadequately addressed. This will lay the groundwork for meetings with contractors. This is also an orientation for the Port's engineer. This review should help spot any red flag issues. The plan review would be a broad picture overview

RH2 will need multiple copies of the plans for review. Kornher will operate relatively independent of the Chelan County PUD. It is anticipated that everything will be brought to the Port engineer.

Karen Kornher explained that the Port engineer needs a complete set of plans to do the review.

Determination of when the review begins and ends is made by the Port. The PUD will have a significant role in the common area use agreement.

What does RH2's review constitute: they are not acting as a guarantor. This is a chance to review for potential problem areas. Kornher will define the scope of her plan review process.

Laura Jaecks will work with Kornher closely on the plan review.

Karen Kornher will follow up with Jon Eberle and Pete Fraley on the plan review process in terms of the Chelan County PUD's involvement.

The meeting adjourned 11:52 am.

Dated and approved this 5th day of April, 2006.

BOARD OF COMMISSIONERS

Michael H. Mackey, President (*Excused Absence*)
JC Baldwin, Vice President
James H. Knapp, Secretary