



BOARD OF COMMISSIONERS
Special Meeting Minutes
285 Technology Center Way
Thursday, February 9th, 2005
8:30 am

Present:	Michael H. Mackey, President JC Baldwin, Vice President James H. Knapp, Secretary Mark Urdahl, Executive Director Pete Fraley, Legal Counsel Jon Eberle, Real Estate Consultant	Ron Johnston-Rodriguez, Economic Development Dayle Rushing, Property Management & Risk Management Judy Bradford, Business Manager/Recording Secretary Carleen Elliott, Accounting Assistant Laura Jaecks, CTC Building Manager
Others:	Kevin Timmons, Yahoo! Inc (via conference call) Christine Pratt, Wenatchee World Allison Williams, City of Wenatchee Joyce Stewart, Retired Port Deputy Director Guy Valdez, GTC Technical Support Jill Valdez, GTC Technical Support Nathan Sherwood, GTC Technical Support Steve Hair, KPQ Radio Kelly Gillin, Wenatchee World Photographer Ross Hurd, Modern Networking Gene Sharratt, Washington State University Randy Lowe, Chelan County PUD Bill Stokes, Chelan County citizen Chris Rader, KOHO Radio Dave Griffith, Chelan County Treasurer Ron Walter, Chelan County Commissioner	John R. Stoltenberg, Retired Port Commissioner Craig Larsen, Wenatchee Valley Chamber Exec Director Nena Walton, Chelan County PUD Fiber Networks Division Jim Richardson/Wenatchee Valley College, President Anne Temte, City of Wenatchee&Wenatchee Valley College Brandon Burke, GTC Technical Support Nevonne McDaniels, Wenatchee Business Journal Sara Urdahl, Chelan County resident Michelle McNeil, Wenatchee World Ken Martin/Cashmere Valley Bank, President Tom Villani, NoaNet Jim Fletcher, Wenatchee Valley College/SBDC Choi Halladay/Wenatchee Valley College, Vice President Ann Congdon, Chelan County PUD Commissioner Buelle Hawkins, Chelan County Commissioner Gary Montague, Chelan County PUD Commissioner

Commission President Mike Mackey called the Special Meeting of the Port of Chelan County Board of Commissioners to order at 8:30 am in the Port conference room at 125 Easy St, Wenatchee, WA.

Commissioner Mackey immediately continued and adjourned the meeting to be reconvened as soon as possible at the Confluence Technology Center at 285 Technology Center Way.

The Special Port Commission meeting was reconvened at 8:40 am in the Port's video conference center at the Confluence Technology Center.

Commissioner Mackey announced that Port Commissioners and the Port Executive Director would be available for the press to answer questions immediately following the commission meeting.

Executive Director Mark Urdahl acknowledged the elected officials in the audience and thanked them for coming to the meeting.

Urdahl then announced the purpose of today's meeting was to take action on a proposed lease with Yahoo! Inc. for virtually all of the remaining commercial space in the Confluence Technology Center. A copy of the Yahoo! Inc website statement of the company core values and some company information was distributed.

Urdahl explained the negotiating team for the lease included himself, Port attorney Pete Fraley and Port real estate consultant Jon Eberle.

Jon Eberle reviewed the highpoints of the lease. Eberle explained Yahoo!'s presence here is a recruitment device for other companies which coincides with the Port's plan to develop economic development clusters along with workforce training. The intent for the Port's available commercial space in the CTC has always been for whatever the market demanded. The proposed lease with Yahoo! Inc is for virtually all of the remaining commercial space the Port owns in the CTC.

Pete Fraley provided a basic overview of the lease explaining the Port Commissioners were informed and very involved in a step-by-step basis with the lease as it was developed. The term of the lease is 10 years with two 5 year options after the original term. The tenant has the right to terminate the lease after five years with a one-year notice. The space being leased is one-half of the lower level, the Port's portion of the second floor, and all of the third floor.

Lease commitment will occur when the lease contingencies are satisfied. Two big drawing cards were the fiber optic network and low power rates. A contract with NoaNet is being negotiated and is one of the lease contingencies. The other item is an amendment to the CTC Condominium Declaration for changes to the building. There has been a great deal of cooperation, coordination and support from Chelan County PUD. The Chelan County PUD Commissioners will hear the Condominium Declaration Amendment at the public meeting next Monday.

The lease rate is triple net which amounts to \$12.00 per square foot, plus operating costs and taxes. The space is leased on as is basis, and the tenant will provide its own necessary improvements as necessary to the building. The use of the premises is as a technology business. Yahoo! Inc is a combination search engine and search index for the web, as well as an e-mail provider, global internet service provider, an internet portal and a web directory service along with yahoo mail.

Kevin Timmons, Yahoo! Inc Vice President of Operations, joining the meeting by conference call, provided a brief description of the company. He noted Yahoo! Inc fancies themselves as the premier online service to web and internet. Yahoo! Inc performed a great deal of due diligence on where they wanted to buildup their infrastructure.

Timmons stated that the CTC is awesome mix of technology and office space infrastructure.

Jon Eberle announced he has contact information for Yahoo! Inc media relations person, Kiersten Hollars who is available for questions and will connect press people to the right person in the organization.

Eberle further clarified Yahoo has the right to sublease space with Port approval. Any additional charges for tenant improvements will be paid by Yahoo! Inc. The CTC facility will have a net gain in parking spaces due to the relocation of the service yard.

There is not a security deposit required in the lease due to tenant improvement costs. Building signage will be mutually agreed upon.

Improvements to the building are: second floor office space, third floor and lower level will operate on its own power system. Yahoo's HVAC will be completely independent. The security and redundancy of the power is critical.

Data centers need the redundancy, power and security. The planners of the building were for-sighted.

Pete Fraley provided a brief recap of the negotiations timeline. He stated that the lease contingencies should be resolved in the very near future (in the next week or so) and that will trigger a five month rent deferral. The five month's of rent will be recaptured in the balance of the lease in the remaining 9.5 years.

Commissioner Baldwin thanked the group of people who first met with Yahoo! Inc initially last July for the great first impression that was made on Yahoo! Inc of our area, people and potential.

Mark Urdahl thanked Gene Sharratt, Joyce Stewart, the Chelan PUD who shared in the risk of the building and its vision with the Port, NoaNet-Tom Villani, the partners at Chelan County for LOTS funding which started the CTC construction, as well as, CERB, CTED and Senator Patty Murray.

Port counsel, Pete Fraley, suggested the following as a motion to approve the lease:

Motion No.	02-01-06
Moved By:	James H. Knapp
Secoded By:	JC Baldwin
	To authorize the Executive Director and the Commissioners to sign the Confluence Technology Center lease agreement with Yahoo! Inc.
	Carried.
	Motion

Former Port of Chelan County Deputy Director Joyce Stewart who served as Port staff in charge of construction of the CTC thanked Commissioners for staying the course with the CTC and realizing the vision that was entrusted to them.

The meeting was adjourned at 9:04 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