



PORT OF CHELAN COUNTY
Board of Commissioners
Special Meeting Minutes
238 Olds Station Rd, Suite A, Wenatchee, WA 98801
September 26th, 2011
8:30 am

Present:

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| <p>JC Baldwin, President Michael H. Mackey, Vice President Craig N. Larsen, Secretary Mark Urdahl, Executive Director Pete Fraley, Legal Counsel Monica Lough, Internal Auditor Mike Armstrong, External Affairs Director</p> | <p>Laura Jaecks, CTC & Capital Projects Manager Aimee Pope, Marketing & Communications Manager Raylene Bradley, Property & Facilities Manager Judy Bradford, Director of Business Operations Kathleen Knappert, Staff Assistant Jon Eberle, Real Estate Consultant Karen Kornher, Engineering Consultant</p> |
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Commission President JC Baldwin called the special meeting to order at 8:30 am.

CONSENT AGENDA

The consent agenda was presented for consideration.

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| <p>Motion No. <i>Moved By:</i> <i>Seconded by:</i></p> | <p>09-05-11 <i>Michael H. Mackey</i> <i>Craig N. Larsen</i> <i>To approve the consent agenda as presented and printed in the special meeting notice including the minutes of the minutes of August 18th, 2011 regularly scheduled commission meeting and September 8th, 2011 special meeting.</i></p> |
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Motion carried unanimously.

FIVE YEAR FINANCIAL PROJECTION

Monica Lough distributed a handout illustrating the Port's five-year cash flow projection. She reviewed the report which included 2011-2015 projected figures for all receipts, disbursements, and reserves. The projection did not include any items related to potential tenancy of IB3, IB5, or Pybus. Discussion ensued. Lough will prepare another projection for the continuation of the meeting tomorrow with possible IB3, IB5, and Pybus figures.

PESHASTIN

The Commission discussed the Peshastin property. Jon Eberle reported the Leavenworth Summer Theater was previously seeking 15,000 square feet of warehouse space and a theater location. They have found a theater location, but are still in need of warehouse space and are seeking approximately 3 to 5 acres. Pete Fraley stated any sell of a portion of the property would require a boundary line adjustment. Karen Kornher reported it would also require bringing water and sewer to the site as well as building a retaining wall. Discussion ensued regarding improvements necessary before any land is sold or leased. The Commission continued discussion of improvements, including riparian area enhancements, improvements to road, access, and utilities, as well as the possibility of a second bridge in Peshastin. Kornher stated there may be grant opportunities available relating to recreational area enhancements.

Regular session recessed for a 10 minute break at 9:33 am.

JCB MHM CNL ML

Regular session reconvened at 9:42 am.

INVENTORY OF READY TO OCCUPY SPACE

Mark Urdahl stated if the vacant spaces in IB3 and IB5 are leased, the Port will have no ready to occupy light industrial inventory. He suggested reviewing properties and carrying out a marketing plan. Commissioner Larsen has previously requested history and status of all properties. Raylene Dowell stated she is currently working on this report.

Laura Jaecks reported there is approximately 1,700 square feet of unfinished space in the CTC. Build-out cost for this space would depend on the level of improvements. Minimal improvements for 1 to 2 tenants are estimated to cost approximately \$70,000 to \$100,000. Jaecks reported, in addition to the unfinished space, there are 7 vacant offices. Discussion ensued regarding the unfinished space, including possible improvements and marketing the existing office space.

Jaecks stated there is a contract with Avidex to upgrade the videoconference equipment to HD. Initial estimates reflected a cost of \$260,000 for a partial upgrade. Jaecks reported most of the critical equipment is past its life and no longer supported. Brief discussion ensued.

PYBUS

Mark Urdahl reported the Port and City are heading toward a decision on the possible sub-recipient agreement. There has been an increased interest in a seasonal farmers market and year-round public market. Jon Eberle reported various businesses and farmers market participants have shown interest in possible tenancy. Discussion ensued regarding the Port's investment, the City's HUD grant, and the possibility of a pedestrian bridge to better connect Wenatchee downtown and the Worthen Street area.

Regular session recessed for a 30 minute break at 11:35 am.

Regular session reconvened at 12:05 pm.

MARKETING AND BUSINESS RECRUITMENT

Discussion began regarding how and where the Port could focus marketing efforts. Mark Urdahl stated the Port only has a small amount of ready to occupy space located in the CTC. Discussion ensued. Urdahl reported the Port has scheduled a visit from Lisa Wellman to provide marketing advice.

COMMUNITY PARTNERSHIPS

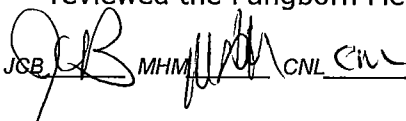
Aimee Pope distributed a handout detailing the partnership agreement commitments since 2006. Pete Fraley stated the agreements are standard, but the exhibits or deliverables may change depending on the organization. Commission and staff reviewed the handout and discussion ensued. There was some discussion on the possibility of gradually decreasing funding amounts and reinforcing deliverables on existing contracts.

Meeting recessed at 1:15 pm to be reconvened tomorrow, 9:00 am Tuesday, September 27th, 2011, at the Port's main office.

Meeting reconvened at 9:02 am on Tuesday, September 27th, 2011.

FIVE YEAR FINANCIAL PROJECTION (Continued)

Monica Lough distributed copies of an updated five-year cash flow projection. Based on the discussions at yesterday's meeting, Lough updated the projection with figures based on potential activity at IB3, IB5, and Pybus. Potential capital improvements were also included in the handout. Lough reviewed the information and discussion ensued. Lough also briefly reviewed the Pangborn Memorial Airport 7-year Capital Improvement Plan.

 JCB MHM JLN CNL

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COMMUNITY INTERLOCAL AGREEMENTS

Mark Urdahl reported he and Commissioner Baldwin attended the Leavenworth Economic Development Committee meeting last night. At the meeting they learned of the committee's interest in removing the fruit warehouse next to the Festhalle, to add more parking. This would allow for approximately 140 parking stalls. It would be a fee parking arrangement. Leavenworth is interested in some financial support from the Port, and would be willing to share in some level of profits. Parking revenue projections are approximately \$45,000 per year. Discussion ensued. In regards to the Water Trails and electric vehicle involvement, Mike Armstrong stated the Port seems to be stepping away from that a bit. Aimee Pope stated in terms of staff time, the Port does not have the resources. Brief discussion ensued.

COMMUNITY PARTNERSHIPS (Continued)

Commissioners and staff discussed reassessing or fine tuning deliverables with each partnership agreement. Aimee Pope reported all agreements now include a request for 5-year sustainability plan, and stated such plans have been requested from the Cascade Foothills Farmland Association and Wine Alliance. Monica Lough reported GWATA was the only organization not shown on the handout. Discussion ensued regarding level of funding in these partnerships.

Regular session recessed for a 10 minute break at 10:26 am.

Regular session reconvened at 10:36 am.

Raylene Dowell reported she and Mark Urdahl will be meeting with Jason Detamore from the Chelan County Public Works department regarding 2 acres of the Horan block.

Commission Larsen inquired about social media, primarily Facebook. The CTC and Pangborn Memorial Airport currently have Facebook pages. Laura Jaecks showed the commission the CTC's Facebook page and discussion ensued.

The Port's Summary of Debt Schedule was distributed. Monica Lough stated this item is for information purposes.

Mark Urdahl stated he will be meeting with Terry Brewer, who will be retiring from the Grant County EDC.

Mike Armstrong reported meeting with the Port of Quincy. Quincy considers Pangborn Memorial Airport their regional airport. Many business travelers to and from Quincy utilize the airport and rental car services.

Regular session recessed for at 40 minute break at 11:23 am.


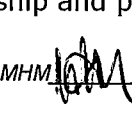
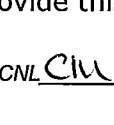
Regular session reconvened at 12:04 pm.

ACQUISITION OF DISTRESSED PROPERTIES

The commission briefly discussed ideas on acquiring distressed properties. This topic will be discussed further at a future meeting.

PANGBORN RUNWAY EXTENSION

Mark Urdahl stated the Port's share of the local match for the runway extension project is estimated to be \$1,039,500. The commission discussed the payment options such as through a bond or working with a local bank. The commission also discussed the ownership agreement with the Port of Douglas. Pete Fraley will update the Pangborn Memorial Airport percentage of ownership and provide this information to the commission at a later date.

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ACTION PLAN

The commission conducted a review of topics discussed during the 2-day retreat and created an action plan. The action plan is as follows:

PESHASTIN:

- No major commitment to infrastructure under the current economic conditions
- Pursue discussion with partners regarding second bridge crossing
- Maintain commitment to public access along river front; continue non-motorized access to the site in partnership with the community
- Seek grant funds for enhancing passive recreational opportunities along the waterfront
- Discussions with surrounding stakeholders on strategic partnership opportunities
- Complete Heartland feasibility study

INVENTORY OF READY TO OCCUPY SPACE:

- Identify location for potential spec building in Olds Station
- Continue to market CTC space via social media and website
- Discuss strategic partnership with ESD for workforce and business training
- Work with chambers to recruit home based businesses to CTC
- Replace CTC Videoconference equipment
- Specific contact to Hospital regarding plans

COMMUNITY PARTNERSHIPS:

- Deferring changes at this time due to current economic climate
- Reinforce deliverables in existing contracts
- Looking conservatively at new requests

COMMUNITY INTERLOCAL AGREEMENTS:

- Future community partnerships will require direct financial return to the Port

PANGBORN RUNWAY EXTENSION:

- Plan on borrowing matching funds
- Maintain clear communication and coordination with Port of Douglas
- Develop consistent message with the Port of Douglas
- Develop relationship with Port of Quincy
- Inform congressional delegation of project status
- Continue to build partnership with Douglas County

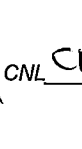
PYBUS:

- Conditions associated with sub-recipient agreement:
 - Cash reimbursement for onsite improvements
 - Create subarea where percentage of LRF should be expended
 - Pedestrian overpass
 - Consider sub-recipient agreement
 - Refine cost estimates and revenue projections

MARKETING AND BUSINESS RECRUITMENT:

- Develop materials for chamber distribution
- Tap marketing and recruitment expertise related to the Seattle marketplace

Meeting was adjourned at 1:14 pm.

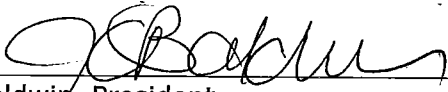
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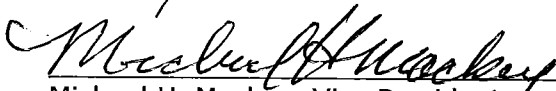
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Signed and dated this 17th day of November, 2011.

PORT OF CHELAN COUNTY



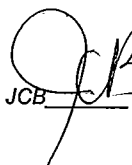


JC Baldwin, President



Michael H. Mackey, Vice President



Craig N. Larsen, Secretary

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