



**PORT OF CHELAN COUNTY
Board of Commissioners
Meeting Minutes**

**238 Olds Station Rd, Suite A, Wenatchee, WA 98801
December 12th, 2007
9:00 am**

- Present:** Michael H. Mackey, President
 Craig Larsen, Secretary
 Mark Urdahl, Executive Director
 Pete Fraley, Legal Counsel
 Monica Lough, Internal Auditor
 Dayle Rushing, Property/Risk Manager
- Laura Jaecks, CTC Building Manager
 Judy Bradford, Business Manager/Recording Secretary
 Carleen Elliott, Accounting Assistant
 Jon Eberle, Real Estate consultant
 Karen Kornher, Engineering consultant
 Ron Russ, Pangborn Operations Supervisor
- Others:** **Douglas County Port**
 Commissioner Jim Huffman
 Commissioner Alan Loeb sack
 Commissioner Mark Spurgeon
 Pat Haley, Director
 Doug Provo, Business Manager
 Mandy McCaw, Staff
- Mike Steele, Lake Chelan Chamber/Executive Director
 Steve Robinson Wenatchee Valley Chamber/President
 Jim Knapp, Consultant

Commissioner Mike Mackey called the meeting to order at 9:02 am. Commissioner Mackey noted Commissioner JC Baldwin was not participating in the meeting due to illness.

Consent Agenda

The consent agenda consisting of the minutes of the December 5th, 2007 regularly scheduled meeting was presented for consideration.

Motion No. 12-04-07
Moved By: Craig N. Larsen
Seconded By: Michael H. Mackey
To approve the consent agenda consisting of the meeting minutes of the December 5th, 2007 regularly scheduled meeting. *Motion Carried.*

Director's Report

Public Surplus Property Hearing on Olds Station Business Park parcel

Mark Urdahl noted the parcel being considered for declaration as surplus has been reduced in size since the original hearing. Pete Fraley reviewed the proposed boundary of the parcel to be surplus. As part of the Resolution, Mark is authorized to take the steps necessary to create the surplus parcel as a legal lot of record.

Commissioner Mackey opened the public hearing to consider the surplus of Port parcel E-1 as modified at 9:04 am. Commissioner Mackey asked for public comment. No public comment was offered and the public hearing was closed at 9:05 am.

Motion No. 12-05-07
Moved By: Craig N. Larsen
Seconded By: Michael H. Mackey
To approve Resolution No. 2007-18 to surplus property k in Olds Station Business Park as presented. *Motion Carried.*

Update from Lake Chelan Chamber

Mark Urdahl introduced Michael Steele, Executive Director of the Lake Chelan Chamber. Mr. Steele distributed a written report on visitor numbers at the Lake Chelan Visitor Center, and briefly reviewed the results. He reported an 16% increase in Chamber membership, in addition to a new website to be launched in 2008, a new look for the Chamber newsletter, and visitor fulfillment pieces that will be coming in the next year.

Lake Chelan has accepted a rural bridges community grant from WSU. The Chamber will be conducting a feasibility study to determine what the funds will be used for including exploring the possibilities for a technology studio.

Lake Chelan Chamber is working with the business community in Manson to bolster the Mason business community including assisting with a website and providing a part-time staffed Chamber office. Lake Chelan Chamber is involved in the sub-area planning efforts currently underway in the Manson area.

Commissioner Larsen applauded the Lake Chelan Chamber and its involvement in the Chelan County sign ordinance review process.

Update from Wenatchee Valley Chamber

Mark Urdahl introduced Steve Robinson the current Wenatchee Valley Chamber Board President. Robinson reported the Wenatchee Valley Chamber is 650 members strong with 2.5 staff members, 13 board members from both sides of the river from a cross section of the public and private business sector. The Chamber operates on a \$290,000 annual budget.

Robinson expressed appreciation of the Chamber's partnership with the port.

Robinson briefly reviewed the economic development agreement with the Port and the Chamber's compliance and support of the Port, its activities and projects; and briefly reviewed anticipated chamber projects and activities for 2008.

Confluence Technology Center

GCI presentation

CTC Director Laura Jaecks introduced John Barnhart, CEO of GCI, a current tenant in the CTC. GCI acquired Medical Wan/Modern Networking from Ross Hurd last year. The Port has approved a six month extension of the lease.

Barnhart briefly explained the business of General Communications Incorporated which is based out of Alaska providing internet, phone and other internet services. Its main business promotion is a service to connect medical services to providers. GCI connects providers of health care services in a secure environment.

GCI is working to integrate the system that exists in NCW and upgrade the systems to provide healthcare on a daily basis. Its system connects to Seattle and Spokane as well. GCI brought with it to the area the engineering resources and capital to grow the business. Next step for the company is expanding the footprint of the business.

Over the next year the company plans to grow in the need for additional employees in north central Washington.

Current office in the CTC is important to the company for continued growth, for collocation, videoconferencing capability, close proximity to the company's network and the high level of secure technology.

The company desires to have permanent access to the CTC facility as it is the core of the GCI network. The employee growth would need to have the technicians close to their customer base. Barnhart predicted growing by 2-4 positions next year at a pay range of \$40,000-\$100,000 per year with a full benefit package.

The local recruitment in the beginning stages of expertise/competence is good. Experienced well trained senior technicians seem to be lured outside the rural area.

Barnhart explained that GCI will be looking for an extension of the current lease.

Update

Laura Jaecks had no further update for Commissioners at this time.

Meeting was recessed for a break at 9:39 am. Meeting was reconvened at 9:50 am.

Economic Development

Update from Economic Development Director

Ron Johnston-Rodriguez provided a brief review and update for commissioners on the Port's activities and efforts in a number industry clusters which has led to the Port's involvement in the electrification of transportation and the Advanced Vehicle Innovation. The Port and its partners will be converting 20-30 vehicles to hybrid at Wenatchee Valley College over the course of the next few years which is already getting national recognition and accolades. Three national labs are working on the vehicle conversion and electrification of transportation: Idaho National laboratory, Oregon National Laboratory and Northwest National Laboratory. The Port is working with these labs. Google is funding \$10million worth of research and development technology companies in this field.

Johnston-Rodriguez reported on a connection with the woman who runs the hybrid project for Ford Motor Company which has put together a FORD Escape Hybrid vehicle that is a plug-in hybrid electric vehicle getting 20 mpg. The Port will be working to get some of the vehicles here to Wenatchee.

Some discussion ensued.

Chelan County Port Commissioners were joined by the Port of Douglas County Commissioners to consider airport issues.

Pangborn Memorial Airport

Master-loan for airport operational needs

Pat Moore reported she is continuing to work with Monica Lough at Cordell Neher & Co and Pete Fraley on financing issues at the airport. One solution to assist with funding is a master note process to provide assistance with the cash flow issues.

Pete Fraley provided a brief history of the cash flow issues at Pangborn and the master note program that is being proposed as a solution to the problem.

The master note would have maximum principal amount of \$100,000 with \$20,000 advanced in September 2007. The interest rate would be at the Cashmere Valley Bank rate. The Port of Chelan County will not be making any money on the financing.

The source of repayment will be FAA grant funding. The master note has a four year term to Sept 15, 2011. It will be four years from the original \$20,000 advance.

The master note does require that any outstanding interest from Sept 15 to Sept 15 be brought current.

No action will be taken at this time. The Port of Douglas County needs to have its attorney to review the proposal. Pete Fraley will forward to Port of Douglas attorney. This item is tabled to the next Port of Chelan County commission meeting.

Pat Moore provided a brief explanation of the need for cash flow availability and the time constraints of operational needs and FAA funding.

Authorization to sign the orchard lease with PNV

Moore is seeking authorization to sign the lease with PNV. Pete Fraley briefly reviewed the changes in the terms of the proposed orchard agreement as compared to the existing agreement with PNV. Discussion ensued.

Motion No. 12-06-07

Moved By: Craig N. Larsen

Seconded By: Michael H. Mackey

To authorize the Airport Manager to sign an orchard management agreement with PNV as presented. If changes are made to the agreement at PNV's request, the revised agreement must be reviewed and approved by one commissioner from each Port.

Motion Carried

Authorization to send out bid documents for the Jet A Tank project

Ron Russ reviewed the project with Commissioners. The project is about 90% of engineering and \$200,000 in cost at this point. Discussion ensued.

Motion No. 12-07-07

Moved By: Craig N. Larsen

Seconded By: Michael H. Mackey

To authorize the Airport Manager to call for bids for the Jet A Tank Project as described.

Motion Carried.

Report on Joint Operating Agreement

Mark Urdahl provided a brief history of the JOA and Jim Knapp's involvement as a former Port Commissioner.

Jim Knapp explained the process he followed in his review of the JOA, and his findings. Knapp's report is attached. There were five areas of concern noted: 1) marketing of the airport and the lands at the airport to increase revenue at the airport; 2) need a clear definition of who the spokesperson at the airport is (one voice); 3) deciding how decisions are addressed from the owners point of view and the operators point of view; 4) how the leases operate; 5) future of the JOA and the airport (first three pages of the JOA).

Knapp stated that the biggest challenge at the airport...a joint marketing program. Discussion ensued.

Mark Urdahl suggested the Port of Chelan fund a facilitated workshop, and named John White is the preferred consultant. Port staff will work to schedule a study session for late January or early February. Pete Fraley and Jay Johnson will develop bullet points on the JOA principles for review before the study session.

Port of Douglas County Commissioner Jim Huffman commented the meeting regarding the pedestrian walking bridge held last Monday at the City of Wenatchee was well attended. Water delivery across the bridge is the necessity. Ports might be called upon provide funding for engineering assessment studies needed.

All port commissioners agreed the Wenatchee Reclamation District needs to address the funding side of the situation before asking area entities to fund the assessment and resolution of the problems with the bridge.

Discussion ensued.

Port of Douglas County noted Pat Moore and Doug Provo have developed a process that should address tracking the lease and insurance paperwork on airport properties.

Discussion ensued.

Regular session recessed at 11:06 am.

Executive Session

Regular session reconvened and adjourned to Executive Session to discuss real estate matters at 11:13 am.

Regular session reconvened at 11:45 am. Some discussion ensued with the meeting adjourning at 11:50 am with no further action taken.

Dated and approved this 19th day of December, 2007.

BOARD OF COMMISSIONERS

MICHAEL H. MACKEY, President

JC BALDWIN, Vice President - *Excused Absence*

CRAIG N. LARSEN, Secretary