



PORT OF CHELAN COUNTY
Board of Commissioners
Meeting Minutes
238 Olds Station Rd, Suite A, Wenatchee, WA 98801
January 15th, 2009
8:30 am

- Present:** Michael H. Mackey, President
 Craig N. Larsen, Vice President
 JC Baldwin, Secretary
 Pete Fraley, Legal Counsel
 Monica Lough, Internal Auditor
 Ron Johnston-Rodriguez, Dir Economic Dev
 Dayle Rushing, Property/Facilities Director
- Laura Jaecks, CTC Building Director
 Pat Moore, Airport Manager
 Judy Bradford, Recording Secretary
 Ron Russ, Operations Supervisor
 Jon Eberle, Real Estate Consultant
 Carleen Elliott, Accounting Assistant
- Others:** Steve Hair, KOHO Radio
 Steve Tramp, Princess Properties
 Nancy Smith, Leavenworth Chamber
 Babba Moussa, Employment Security
 Clifton McCool III/Wenatchee High Student
 Roger Clute, Wenatchee Visitor Bureau
- Yvette Davis, Wenatchee Business Journal
 Marcia Janke, Wenatchee Valley Visitor Bureau
 Hank Manriquez, Leavenworth Chamber/CFFA
 Marsha Clute, Chelan County Fairgrounds
 Laura Mounter, Laura Mounter Real Estate
 Don Mounter, Penny Properties partner

Commissioner Michael Mackey called the meeting to order at 8:30 am.

Consent Agenda*

The consent agenda was presented for consideration:

Motion No. 01-01-09
Moved By: JC Baldwin
Seconded By: Craig N. Larsen

To approve the consent agenda consisting of the approval of the minutes of the October 22, 2008 and the December 17th, 2008 commission meetings, approve the 2009 officers for the Port Commission: President/Michael H. Mackey, Vice President/Craig N. Larsen, Secretary JC Baldwin, approval of Resolution 2009-01 designating the Port's WVTC delegate and alternate, approval of Resolution #2009-02 designating Port's NCRTPD delegate and alternate; approval of Pangborn Memorial Airport register pages (#1157-#1159) and approval of Port register pages (#2223-#2229) including the following:

<u>Register Page:</u>	<u>Date Issued</u>	<u>Voucher:</u>	<u>Total</u>
		#12725- 12732 & electronic payroll deposits	\$ 83,530.47
#2223 --Dec 2008 Payroll	12/31/08	#12733 -- 12741	31,134.42
#2224 -- Dec Month End	12/31/08	#12742	1,893.85
#2225-- Capital	1/15/09	#12743- 12756	98,676.10
#2226 -- CTC	1/15/09	#12757--12777	36,555.29
#2227-- Dec bills paid	1/15/09	#12778 -- 12786	61,004.35
#2228 -- Same	1/15/09	#12787-- 12792	1,504.07
#2229-- Dec Expns Reimbrs.	1/15/09		\$ 314,298.55

68 warrants totaling \$314,298.55 for approval January 15, 2009.

Motion Carried.

Items from Commissioners

Report on Council of Governments – Commissioner Baldwin

Commissioner Baldwin reported on meeting with City of Wenatchee Mayor Dennis Johnson and Executive Services Director Allison Williams regarding the Council of Governments. The Port

MHM/ [Signatures]

Update

Ron Russ updated commissioners on winter operations. The Q400 has changed the way the airport operates. Russ reported the Q400 is a little more sensitive to snow and ice on the runway s the staff has had to adjust the way they handle snow and ice removal on the runway. The airport has made adjustments in light of the weather the area has experienced this week. There have been very few cancellations in Wenatchee due to snow. Heavy fog this week has caused some cancellations. All airport technicians are cross trained on all winter operations and equipment at the airport allowing flexibility of staffing for inclement weather conditions at the airport.

Pat Moore noted the improved communications with the new Horizon station manager has vastly improved the airport staff's ability to meet the winter weather challenges.

Discussion ensued.

Confluence Technology Center

Vacated College Space & Build-out of First Floor Unfinished Space

Laura Jaecks reported the college's vacation of CTC first floor space as of December 31st. She reviewed some of the options available.

Jaecks proposed a two-fold approach for the next 90-120 days to do a survey of the local area to determine what the need for training space currently exists. Central Washington Hospital and Chelan County PUD have expressed interest in utilizing the computer lab for training. Jaecks reported besides having a few other leads to be followed up on, there have been a few other larger employers that have in the past rented the training facilities at the CTC. She reported she is also looking into technical training organizations that have expressed interest in the space for training.

ESD is willing to partner with the Port on the computer lab; working on an interim letter of understanding. The CTC would manage the rental and maintenance of the lab space.

Jaecks stated she would like to conduct a market research study to see if there is need for training space for which she may need additional funding.

Discussion ensued. Commissioners requested a work session on the 1st floor vacated space at the CTC.

Jaecks reviewed a list of potential tenants requesting office space at the CTC. New tenants could be accommodated by finishing off the existing vacant space with as open cubicle space with shared conference room.

Commissioners scheduled a special meeting/work session for discussion of the first floor space vacated by the college and the CTC build out and office space for next Wednesday, January 21st at 9:00 am-11:00 am in the CTC.

Update

Jaecks reported the grant application process for the satellite video conference locations is going well. Six fire stations throughout Chelan County are interested in acquiring the video conference training locations in/for their fire stations.

Discussion ensued.

Regular session recessed for a ten minute break at 9:23 am until 9:35 am. Regular session reconvened at 9:35 am.

MHM/jnk CNL/JCB JB

**Economic Development Director
Regional Labor Economist Babba Moussa**

Ron Johnston Rodriguez introduced Babba Moussa the regional labor economist for Employment Security, and briefly explained the types of information and services Babba Moussa provides in support of the Port's economic development efforts.

Babba Moussa explained his job is to provide labor market information. He tracks job growth and wage rates. He briefly reviewed the current state of the local labor market.

2009 Wine Investment Discussion

Ron Johnston-Rodriguez (RJR) explained he is seeking formal Commission direction on how the 2009 wine budget will (or will not) be spent. In budget discussions comments were made that the port funds should no longer be spent on the types of promotional activities that it has done previously.

RJR provided a brief economic overview and history of the wine industry in the local area/county; and a brief summary of what the Port's involvement has been in marketing of the wine industry. To-date the Port has invested approximately \$200,000 in the marketing and promotion efforts of the wine industry. He then distributed the new Chelan County wine guide, the State wine guide, the CFFA Ag tourism driving map, and a variety of individual winery guides currently being produced for the commissioners' review.

The current wine guide the Port sponsored will last approximately one year.

RJR then reviewed some of the unmet needs of the wine industry, such as the lack of economic impact and marketing information not being readily available. There is a lack of cohesion in regional wine marketing or promotions. He provided the example of the Walla Walla wine region's success.

RJR made a couple of recommendations for commission consideration: the need for an economic baseline to be established for this area; how many bottles of wine are produced, how many producing acres there are, etc. The industry needs some hard numbers. RJR asked the commissioners to consider a baseline study for economic impact. To conduct a needs assessment the industry is missing, determine what issues need to be resolved for this region to achieve a higher level of success, and ask for recommendations as to what can the public and private sectors do to facilitate the industries growth/development. The study will engage the winery folks through a third party to obtain information and suggestions.

Discussion ensued.

RJR will formulate a proposal for commission consideration to address a baseline study on the wine industry.

Hank Manriques stated more needs to be done to get the guide group to work together collaboratively. The group needs to leave the politics out of this and get the project done. He asked how the Chamber Alliance could work to help.

Nancy Smith stated she has not spoken with the Chamber Alliance, yet, but offered the Alliance's help. The Chamber alliance could handle the gathering of the information, and why the collaborative effort didn't work? This possibility could be discussed with the Chamber Alliance group at its next meeting.

Roger Clute commented that the County needs a tourism study and the wine component could be part of that. The Visitor Bureau has \$15,000 in its budget committed to wineries.

MHM/AM CNUA JCB JB

January 15th, 2009

Page 4 of 7

Discussion ensued. Port is not interested in being a referee. The study should be a county wide study and go from there.

Draft Port Proposal to Administer Conversion of 500 Priuses to PHEVs

RJR provided an overview of the proposal to convert 500 Priuses to PHEVs as a possible economic stimulus project. RJR has been asked by a variety of organizations to take this next step in PHEV technology development. The conversions would take place here at the Port of Chelan County with same companies and technology as the WA state project utilized: Idaho National Lab, Washington National Lab, 123 Hymotion, V2 Green, etc. This would have a significant association in the State for how these vehicles might interact with the GRID. The timeline is loose. Sometime in April: 20 week period to convert the vehicles. This project would be funded by a grant request to the federal government for \$20 million dollars, as part of the economic stimulus grant funding, to cover the cost of all 500 kits and special devices. The special devices would turn the charging station on/off according to the demand on the power GRID allocating power at a low demand period resulting in a lower cost to the customer.

This project could lead to permanent operations for the developing company in Chelan County.

Discussion ensued. Need to have the Chelan County PUD involved. Pacific NW Lab would be the primary intermediary with the utilities. This request is very preliminary.

The Port would be the applicant on the grant request. Commissioners cautioned to be sure all administrative costs to the Port are included in the total grant request.

Commissioners requested this item be added to the special meeting agenda for next week.

Update

RJR reported the ADO funding from the State is still undecided. The City of Wenatchee and the Chelan County PUD are close to a lease agreement on the city building at the end of 9th St. The row and paddle club are already negotiating with the City of Wenatchee for a sub lease on the building.

Property Director

Tramp Variance Request*




Pete Fraley provided a brief history of the Tramp variance request. The use variance for the hotel/motel was never formally acted upon by the commission. Use, height and signage variances are being requested by the Tramps. Steve Tramp on behalf of Princess Properties confirmed that the pylon sign is no longer being pursued.

All requested information has been provided to the reviewing consultants, and their concerns have been successfully addressed.

Tramp Investments owns the property and will lease to Comfort Suites.

Don Mounter commented that Jeff Neher signed a letter to allow a motel next to their building based on plans for a Hampton Inn sited (to be situated) on the property opposite from the present design. The new design has more of an impact on Penny Properties location. Penny Property partners feel like the projects were a bait and switch. Mounter did state that all things considered looks like a good project that will benefit the area. After reviewing a similar building in Moses Lake by the same company, this building's exterior finish looks like brick rather than lap siding. Moses Lake has lap siding. Neighbors are concerned that a change to lap siding from the original plans would be made.

Tramp responded by stating that companies have the choice as to what materials will be used. Tramps have no intention to change the materials for the building to any other than those proposed. This project will inject \$4.5 million dollars plus job creation into the local economy.

MHM  CNL  JCB 

January 15th, 2009

Page 5 of 7

Discussion ensued. Any change from the plans and specifications as submitted that would implicate the covenants or proposed variances would need to come back to the commission for review.

At the recommendation of the Port review committee, the commissioners took the following actions regarding the variance requests:

- Motion No. 01-04-09**
Moved By: Craig N. Larsen
Seconded By: JC Baldwin
To approve a use variance to allow Tramp Investments and Princess Properties to construct a motel/hotel according to the plans and specifications presented to the Port Review Committee. Motion carried with Commissioner Baldwin abstaining.
- Motion No. 01-05-09**
Moved By: Craig N. Larsen
Seconded By: JC Baldwin
To approve 2 building height variances to allow construction of a building not to exceed 45 feet in height and a corner tower not to exceed 55 feet in height in the location depicted in the plans and specifications presented to the Port Review Committee. Motion carried with Commissioner Baldwin abstaining.
- Motion No. 01-06-09**
Moved By: Craig N. Larsen
Seconded By: JC Baldwin
To approve a sign variance to allow three (3) 9 foot by 10 foot (for a total of 270 square feet) insignia wall signs on the building in the location depicted in the plans presented to the Port Review Committee. Motion carried with Commissioner Baldwin abstaining.
- Motion No. 01-07-09**
Moved By: Craig N. Larsen
Seconded By: JC Baldwin
To accept the recommendations of the Port Review Committee to approve the plans and specifications submitted by Tramp Investments and Princess Properties to the Port Review Committee, which plans or on file with the Port of Chelan County. Motion carried with Commissioner Baldwin abstaining.

AgroFresh Lease in IB#1

Jon Eberle and Pete Fraley updated the commissioners on additional information on the AgroFresh Lease of space in IB#1 since the commission approval of the lease. The cost the building modifications, Port will incur upfront and will be recouped from the school district lease payments. Modifications include: 12' galvanized chain line fence 75ft long, and the addition of a bay door 10'x 8ft wide for a total cost of \$3,000.00.

Apple City Electric has been making modifications for switches for lights, and security cameras at an approximate cost to the Port of \$6500. The Port's responsibility for updating restrooms for Design Salt cost \$250.00, and adding needed dumpsters on the east side of the building cost an addition \$2500. The AgroFresh lease has a term of five years.

Fraley reported on two additional matters that will hopefully be non-issues: One is the tenant's request for a basic laboratory to test their products; and two is the tenant's self insurance program. Legal and staff are working through these issues with AgroFresh to ensure no additional cost and maximum coverage for the Port.

Discussion ensued.

- Motion No. 01-08-09**
Moved By: JC Baldwin
Seconded By: Craig N. Larsen
To approve a lease agreement with AgroFresh for space in IB#1 and to authorize the executive director to sign, subject to the final review and approval of legal counsel and one commissioner. Motion carried.

MHM/CNA/CJB

January 15th, 2009

Page 6 of 7

