



MINUTES
Ellensburg Business Development Authority
November 21, 2006

PRESENT: Charlotte Tullos Bruce Tabb Lynn Jenison
 Jerry Decker Fritz Glover Desmond Knudson
 Doug Ryder Bob Titus

ABSENT: Bill Meyer

STAFF/GUESTS: Debbie Strand Sherry Luke

I. Establish Quorum

The Ellensburg Business Development Authority (EBDA) met in the 221 E 4th conference room on Tuesday, November 21, 2006. Chair, Charlotte Tullos, confirmed that a quorum was present and called the meeting to order at 5:30 p.m.

II. Minutes – September 19, 2006 and September 28, 2006 Special Meeting

Lynn Jenison moved to approve the minutes of September 19, 2006 with one minor correction. Doug Ryder seconded, and the motion passed unanimously. Lynn Jenison moved to approve the minutes of the September 28, 2006 Special Meeting. Knudson seconded, and the motion passed unanimously.

III. Financials

Debbie Strand reviewed the Financials for the Treasurer, who arrived later.

A. Approval of September and October 2006 Checks

September – With all items usual, Ryder moved to approve EBDA-Operation’s checks 9672-9690 in the amount of \$11,009.18. Jenison seconded, and the motion passed unanimously. With all items usual, Ryder moved to approve EBDA-Airport checks 1413-1415 in the amount of \$3,949.52. Titus seconded, and the motion passed unanimously. **October** – With all items usual, Jenison moved to approve EBDA-Operation’s checks 9691-9709 in the amount of \$16,721.15. Titus seconded, and the motion passed unanimously. With all items usual, Titus moved to approve EBDA-Airport’s checks 1416-1419 in the amount of \$3,137.70. Jenison seconded, and the motion passed unanimously.

B. Review of Year-to-Date Financials at October 31, 2006

Profit and Loss Budget vs. Actual by Fund and Balance Sheet by Fund – not reviewed, because they were reviewed recently at the Economic Development Group Board meeting.

C. 2007 Budget – Authorization of Normal Expenditures

A draft Budget will be ready for the next Executive Committee and Economic Development Group meetings. But, because this Board will not meet again until mid-January 2007, we require authorization to pay normal expenditures. Titus moved to authorize Staff to pay expenditures until the Budget is approved. Ryder seconded, and the motion passed unanimously.

IV. Chair’s Report

A. Department of Revenue

An annual survey is required by March 31st to continue our deferral of Sales and Use Tax on the airport building. Although we faxed the survey by March 31st, the DOR has no record of receipt. The penalty is 1/8 of the \$56,000 deferred, or about \$7,200. Every recourse to void the penalty was pursued, including talking with DOR Staff and Director, making a judicial appeal, and talking with Senator Mulliken’s office. But because the judicial appeal resulted in upholding the penalty assessment, the only further action would be to appeal in Washington Superior Court. We will pay the penalty and also investigate obtaining credit against our new airport building.

B. Press Conference Regarding Comtronic Systems

We will hold a joint Press Conference with Jeff Dantzler of Comtronic Systems on Monday, November 27 at 2:00 p.m. at the airport building site to announce receipt of \$1 million in funding from CTED/CERB to construct a new office building. David Bowen will represent Kittitas County and give a brief presentation about the airport. Charlotte Tullos, as Chair, will speak on behalf of EBDA, and Board members are urged to attend. All pertinent newspapers and TV/Radio stations will be invited. Following the press conference, refreshments will be provided in the 221 E 4th office.

C. Other

None.

V. Director’s Report

A. CERB Update

CERB is funding \$1 million for a new airport building - \$200,000 in grant funds and \$800,000 as a 20-year loan at 1.5% interest (deferred for 3 years). A project pro forma was handed out. Many “reserve” accounts are included with operating expenses, including maintenance, administration, replacement reserve fund, and miscellaneous. Ending cash (flow) is positive from 2007 through 2027. The Board further discussed capital replacement time frames, a 50-year building life, consideration of a “port district”, the 5-year lease to Comtronic Systems, location and infrastructure benefits to Comtronic, the target completion/lease date of June 1 (that precludes having many design drawings made), and the design of the building which Board members may discuss with Dantzler personally after the press conference.

The SEPA Application fee is \$200. Titus moved to authorize the \$200 SEPA

Application fee. Ryder seconded, and the motion passed unanimously.

Further discussion included the following: prior lead/petroleum contamination at the site (identified in Chapter 6 of the *Kittitas County Airport Industrial Park Master Plan* and which will be attached to our SEPA Application and for which Kittitas County is responsible); a survey is needed for the site plan and engineering; we must initially pay for the architectural drawings estimated at \$7,000; order of spending will be our match money, the \$150,000 Kittitas County funds (available January 1), the \$800,000 CERB loan, and finally the \$200,000 CERB grant; possibly setting a theme with this building for the entire airport area; hiring a civil engineer for metal framing; limited time and money to build with time defaults resulting in Dantzler moving to Texas; the \$0.50/square foot lease rate is fair market with Dantzler doing his own build-out; formation of a sub-committee to oversee building construction; initial time frame of drawings by January 1, bids out by February 1, groundbreaking by March 1, and move-in or build-out by June 1; and review of the lease agreement with Comtronic Systems by our attorney Jennifer Ellis before submission to CERB.

Ryder made a motion to authorize obtaining the building permit based on a recommendation of the sub-committee (Strand, Ryder, Knudson, and Glover). Decker seconded, and the motion passed unanimously. Ryder proposed a friendly amendment that the full Board review/approve all drawings/plans before soliciting bids and also review all submitted bids. No further discussion was held.

B. Tenant Updates

Aragorn is two months behind, but just paid one-half of his delinquent rent.

1. Iron Horse Brewing – Quilter expects to pay delinquent rents in full and begin brewing/bottling by December 1 with equity financing by an investor. Quilter's main problem was with distributors.

B. Staff Activities

1. Airport Building Roof – is in progress.

2. Incubator Fire Alarm – the fire alarm system is installed and only needs a final inspection. The City has been billed for half the cost.

VI. New Business

Oxarc Welding Supply started a \$210,000 building on the .8-acre lot in front of the Incubator Building.

VII. Other Business

None.

VII. Announcements

Messy Mutts, a dog self-wash opened in the Cascade View Business Park (Sam Wray) on Vantage Highway. Strand helped the owner (daughter of Liz and Craig Michaud of Black Horse Laundry Equipment) get started. Wray has begun construction on a second, 4,000 square foot, building at the Vantage Business Park.

X. Adjourn

Knudson moved to adjourn the meeting at 7:00 p.m. Jenison seconded, and the motion passed unanimously.

Respectfully submitted,

Debbie Strand for the Secretary, Lynn Jenison