



MINUTES

Ellensburg Business Development Authority May 31, 2007

PRESENT: Bruce Tabb Doug Ryder Jerry Decker
 Fritz Glover Desmond Knudson Charlotte Tullos

ABSENT: Lynn Jenison Bill Meyer Bob Titus

STAFF/GUESTS: Debbie Strand

I. Establish Quorum

The Ellensburg Business Development Authority (EBDA) met at Rodeo City Bar B Q in Ellensburg on Thursday May 31, 2007. Bruce Tabb confirmed that a quorum was present, and called the meeting to order at 12:05 p.m. Staff distributed packets of information for the meeting.

II. Comtronic Project

Tabb reviewed the current situation and referred to the information within the packet. Staff received a letter from Jeff Dantzler of Comtronic Systems withdrawing his intent to lease the facility that EBDA was intending to construct for him. Debbie Strand reviewed options for the Board to consider:

- A. Find another tenant prior to the next Board meeting of our funder, CERB, to replace Comtronic Systems. An extension was granted by CERB until their July 19th meeting to get a signed lease from Comtronic Systems.
- B. Withdraw our request for funding the project through the traditional CERB program which requires a signed lease from a tenant and reapply to CERB for funding to construct the building through the Rural Construction program which does not require a signed tenant but does require a feasibility study supporting the likelihood that a private business would be attracted that would invest in the community and create jobs if the project was funded. This program would allow a five-year deferral of principal and interest and we would be constructing basically a speculative building.
- C. Withdraw our request for CERB funding entirely. Petition the County to allow us to use the \$150,000 sales and use tax grant that was to be used for construction of the Comtronic Building to compensate EBDA for past expenses related to the project, additional costs that would be incurred obtaining a building permit on the building as currently designed, and marketing the building to attract a tenant to a "pre permitted" building. In this case EBDA might not finance the building but

could use the preliminary work as a recruitment incentive.

A lengthy discussion followed with Board deciding to pursue option B. Staff was directed to set up a study session with the Kittitas County Commissioners to inform the Commissioners of the current situation, the path that led the project to this point, enlist their support for a Rural Construction Application, and receive assurances that we will be able to use our current Sales and Use Tax Grant allocation to cover our project expenses to date and transfer it to the new project.

III. Iron Horse Brewery Leasehold Improvements

Strand distributed a proposed drawing of leasehold improvements proposed by Iron Horse Brewery to construct a tasting room at the front of the brewery. These improvements will be constructed at tenant expense. Discussion followed with Fritz Glover moving that the Board approve the improvements. Ryder seconded. Further discussion resulted in a friendly amendment directing staff to check with our insurance carrier prior to approval. Motion carried with the amendment.

IV. New Payroll Agreement

Strand suggested to the Board that they consider revising the current employment arrangement and have the Economic Development Group be the employer rather than EBDA. If Group hires the employees and contracts with EBDA for their services the issue of immediate reimbursement for services rendered is removed. Strand has checked with several different sources and all agree that this is a much more appropriate method of handling the contract. The EBDA Board agreed in principal to the arrangement. This will be discussed at the exit interview with the auditor scheduled for next week.

V. Aragorn Miglino

Aragorn Miglino now owes EBDA close to \$1,000 in rent. He promised to pay in full by mid May. Strand attempted to reach him prior to the meeting and has no response. Pursuant to Board Policy, he will be issued a 10-Day Notice to Pay Rent or Vacate tomorrow. Strand also requested Board approval to send a letter to Northwest Delivery Systems informing them that they need to vacate the incubator by December 31, 2007. They were brought into the incubator in 2001 as an anchor tenant due to a lack of available space in the community. Since that time conditions have changed. Strand will assist them with their search and feels confident that they can find a suitable location. Board concurred and directed Strand to send the letter

VIII. Adjourn

Meeting was adjourned at 1:30 p.m.

Respectfully submitted,

Debbie Strand, Executive Director for the Secretary