



MINUTES
Ellensburg Business Development Authority
March 21, 2006

PRESENT: Bruce Tabb Jerry Decker Fritz Glover
 Desmond Knudson Bill Meyer Doug Ryder

ABSENT: Charlotte Tullos Lynn Jenison Bob Titus

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, March 21, 2006. Vice Chair, Bruce Tabb, presiding for the absent Chair, Charlotte Tullos, confirmed that a quorum was present and called the meeting to order at 5:40 p.m.

II. Minutes – January 17, 2006

Ryder moved to approve the Minutes as presented. Decker seconded, and the motion passed unanimously.

III. Financials

Treasurer Jerry Decker reviewed the Financials.

A. Approval of January and February 2006 Checks

January – EBDA-Operations transactions were all usual and Decker moved to approve checks #9509-9524 in the amount of \$7,368.36. Ryder seconded, and the motion passed unanimously. Decker noted the Hobart receipt for EBDA-Airport and with all other items usual moved to approve checks #1385-1386 in the amount of \$1,609.32. Glover seconded, and the motion passed unanimously. *February* – For EBDA-Operations, all items were usual and Decker moved to approve checks #9525-9540 in the amount of \$7,584.76. Glover seconded, and the motion passed unanimously. For EBDA-Airport, the Hobart partial rent receipt and Cone Gilreath disbursement for Hobart legal work were noted. With all other items usual Decker moved to approve checks #1387-1389 in the amount of \$1,856.28. Ryder seconded, and the motion passed unanimously.

B. Review of Year-to-Date Financials at February 28, 2006

Profit and Loss Budget vs. Actual by Fund – Revenues were more than Budget due to

ADO funds, Sponsorship Fee, and Black Horse rents. Expenditures were less than Budget due to Land Lease. Net Operating Revenue is more than Budget. For Non-Operations, the PSE grant income and Legal expenses for Hobart were noted.

Balance Sheet by Fund – Decker noted the Accounts Receivable for Memberships, Hobart, and Worley. Hobart and Worley made payments during March.

IV. Chair's Report

A. Hobart Machined Products

A formal proposal has not been received, although an email was received from Hobart's attorney outlining the following payment schedule: two rent payments on March 10th, two rent payments on April 10th, and a rent and legal fee reimbursement payment on May 10th, which would make Hobart current. Jennifer Ellis, our attorney, responded to Hobart's attorney with the following provisions: 1) the proposed payment schedule will only be accepted with security – for which Hobart has offered a 1997 Ford F-350 truck worth about \$7,500; 2) require Hobart to agree to an immediate vacate policy (vs. a 10-day period) if they default on a future rent payment; and 3) sign a new lease (that contains parts of our Rent Policy).

Our second 10-day vacate notice ends this Sunday, March 26th. Strand will make an appointment (required) with the Sheriff for Friday or Saturday to change locks if we have not heard from Hobart's attorney about our counterproposal.

The Board thoroughly discussed Hobart, including the need for a personal guarantee with personal assets as collateral (possibly land/cabin in Easton, other vehicles, or other assets), if payment is not received we must start the legal process again, and cautioning Jennifer Ellis to avoid a "duress" situation with Hobart. Decker moved to accept the payment schedule only with a personal guarantee signed by both Rosemary and Larry Brester and accept all of Jennifer Ellis's counterpoints listed above including an immediate vacate agreement if any payment is delinquent and a new lease. Meyer seconded the motion, and it passed unanimously.

Further Board discussion included that Hobart's personal guarantee must cover current and future indebtedness, a duress situation for Hobart is offset by our current legal process, and the lease may contain the immediate vacate clause or this could be in a separate document.

B. Iron Horse Brewing

Iron Horse is now current with rent, made a \$3,000 payment on their MicroLoan, and may request (next month) a new or extended MicroLoan with a 2-year term.

C. Central Washington Biodiesel

Central Washington Biodiesel has detailed information available about their new company and want to lease Bay 1 at the Incubator on April 1st. Rent will be \$700 per month. A security deposit, applied against the last months rent, is paid with the first months rent payment. All permits will be obtained, insuring the safety of the Incubator Bay. A sub-lease to a grape seed oil extractor may occur. The Board does not usually approve new tenants, but discussed capital, operating, and funding sources.

V. Director's Report

A detailed written report was provided with Board packets.

A. Tenant/Borrower Status – Another Incubator Bay may become vacant in the near future. Composites is seeking a new contract with Boeing and will increase capacity if successful.

B. Staff Activities

Ryder reported on our Comp Plan testimony presented by Ryder, Titus, and Strand, which included a cover letter, a proposed economic development vision statement promoting family wage jobs, and five topics with recommendations. The presentation was well received and earned compliments from Lamb, Perrie, Lillquist, and O'Brien. Testimony heard for each chapter will be developed into a final draft plan.

Glover reported on the Airport/Bowers Road area for possible expansion as an Urban Growth Area. This area has some infrastructure, but requires more. An Airport Manager may be beneficial. The County can only lease property it owns in the area, but new and simple legislation could change this law. Strand will talk with Ted Barkley about this, and include it for Group Board discussion.

VI. New Business

None.

VII. Other Business

None.

VII. Announcements

None.

X. Adjourn

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

Debbie Strand for the Secretary