



MINUTES
Ellensburg Business Development Authority
May 17, 2005

PRESENT: Charlotte Tullos Lynn Jenison Jerry Decker Fritz Glover
 Desmond Knudson Bill Meyer Bob Titus

ABSENT: Doug Ryder

STAFF PRESENT: Debbie Strand Sherry Luke

I. Establish Quorum

The Ellensburg Business Development Authority (EBDA) met in the 221 E 4th conference room on Tuesday, May 17, 2005. Vice Chair Charlotte Tullos, acting for the absent Chair, confirmed that a quorum was present and called the meeting to order at 5:50 p.m.

II. Minutes – March 15, 2005

Lynn Jenison moved to approve the minutes of March 15, 2005 as presented and Fritz Glover seconded the motion. There was no discussion. The motion passed unanimously.

III. Financials

Treasurer, Jerry Decker reviewed the Financials.

A. Approval of March and April 2005 Checks

For EBDA-Operations Decker noted that all March disbursements were usual and moved to approve checks 9323-9338 in the amount of \$8,041.53. Jenison seconded and the motion passed unanimously. For EBDA-Airport Decker noted that all March disbursements were normal and moved to approve checks 1350-1351 in the amount of \$1,575.57. Bob Titus seconded and the motion passed unanimously. For EBDA-Operations in April, Decker only noted receipt of Group's account payable and the high utility payment (with partial reimbursement expected from Jim Quilter). With all other disbursements normal, Decker moved to approve checks 9339-9360 in the amount of \$11,674.61. Jenison seconded and the motion passed unanimously. For EBDA-Airport in April, Decker only noted the sign payment and with all other disbursements normal, moved to approve checks 1353-1356 in the amount of \$3,480.71. Glover seconded and the motion passed unanimously.

B. Review of Financials – April 2005

Profit and Loss Budget vs. Actual by Fund – Decker noted that revenues were under budget (mostly due to memberships) and expenditures were also under budget (mostly

due to marketing). Net revenues are relatively close to budget. All non-operational project expenses are attributable to wind projects. *Balance Sheet by Fund* – We have a strong cash position, although some funds are restricted. Except for Hobart, all tenants rents and MicroLoan note payments are current. Liabilities are in good standing.

IV. Chair's Report

A. Leasehold Tax Issue

Washington Department of Revenue has informed Kittitas County that the ground lease reimbursement is too old to pay. Strand, directed by the Board, will research the statute of limitations and other aspects with both Kittitas County and DOR in Olympia.

B. Vacant Board Position

Strand continued to talk with Rick Osborne, but Osborne feels he does not have the time to devote to the organization. Other possible recruits were discussed, including members from Group's Board, lawyers and Darryl Piercy at Kittitas County Community Development.

C. Other

Armstrong, Decker, Young-Ness and Strand met with the consultant overseeing Ellensburg's Comprehensive Plan revision to discuss issues of importance to the economic development group. The major focus of input to-date has been related to retail rather than non-retail commercial and industrial.

V. Director's Report

A written report was given. Strand added that she would provide information to the consultant related to industrial development in the county.

A. Tenant/Borrower Status

Rosemary Brester of Hobart Machined Products was not able to attend tonight's meeting, but a special meeting will be scheduled within the next several weeks. Hobart is currently 5 months behind in rent. Extensive discussion was held about handling this situation, including a MicroLoan secured with personal assets, other assurances of payment, eviction, and having the Executive Committee hear Brester's presentation. A Board Policy needs to be established that sets a maximum limit on rent in arrears, establishes the legal procedure, and outlines obtaining personal assets to cover the past due rents.

B. Staff Activities

The Principal Financial Group (PFG) common stock, yielding a small annual dividend, is now under EBDA's name, but would be better as an Economic Development Group asset, and a resolution to transfer is required. Glover moved to approve the resolution to transfer the PFG Common Stock from EBDA to Group. Discussion involved a recommendation to ask the City's attorney to review the resolution and the possibility of just selling the stock. Titus seconded the motion with a friendly amendment to the motion to have the City's attorney approve selling the stock. No further discussion was held, and the motion passed unanimously.

UNAVCO has requested permission to add storage above the office. They will pay for construction. It could be scheduled for this winter, from the same builder that did the Bay 3 Build-out, Earth Friendly Construction. Engineering plans need to be reviewed.

We agreed to pay for a the back-flow preventer at the Incubator which was necessary due to Iron Horse Brewery water usage. The cost is greater than originally expected, \$950. Decker moved to approve the \$950 cost of the back-flow preventer. Titus seconded the motion, and it passed unanimously.

C. Proposal for Incubator Grounds

Lynda Larsen at Purity Soapworks has submitted a proposal for grounds maintenance, including a general spring landscaping cleanup, removing garbage, and maintaining the flowers throughout the summer for a total of \$700. We will pay for garbage dumping fees and the flowers. We currently have \$500 budgeted for Operations and an additional amount for Airport that probably won't be used this year. Work will be billed and paid as it is done. Bill Meyer moved that we accept Larson's proposal. Glover seconded the motion, and it passed unanimously.

V. New Business

Public Works Director Paul Bennett resigned.

VI. Other Business

The City of Ellensburg may choose to sell the Incubator Building after the requirements of the EDA grant have been met, which would be in the next few years. EBDA could buy it, but would then have to absorb the cost of subsidizing the tenants.

VI. Announcements

None.

X. Adjourn

Desi Knudson moved to adjourn the meeting. Lynn Jenison seconded, and the motion passed unanimously. The meeting was adjourned at 7:10 p.m.

Respectfully submitted,

Lynn Jenison, Secretary