



**PORT OF CHELAN COUNTY**  
**Board of Commissioners**  
**"Special Meeting Workshop & Planning Session"**  
**Special Meeting Minutes**  
**700 Highway 2, Leavenworth, WA 98826**  
**September 28<sup>th</sup>, 2010**  
**8:30 am**

- |                 |  |   |
|-----------------|--|---|
| <b>Present:</b> | Craig N. Larsen, President<br>JC Baldwin, Vice President<br>Michael H. Mackey, Secretary<br>Mark Urdahl, Executive Director<br>Pete Fraley, Legal Counsel<br>Monica Lough, Internal Auditor<br>Mike Armstrong, External Affairs Director | Raylene Bradley, Property & Facilities Manager<br>Laura Jaecks, CTC & Capital Projects Manager<br>Judy Bradford, Director of Business Operations<br>Kathleen Knappert, Staff Assistant<br>Jon Eberle, Real Estate Consultant<br>Jerry Litt, Alliance Consulting |
| <b>Others:</b>  | Rob Eaton, City of Leavenworth<br>Karl Ruether, Leavenworth Chamber<br>Matthew Hoffman, Heartland, LLC.  | Steve Keene, Peshastin Community Council<br>Joel Walinski, City of Leavenworth<br>Matt Anderson, Heartland, LLC.  |

Commission President Craig Larsen called the meeting to order at 8:35 am and immediately recessed for a tour of Icicle Station, Chamber of Commerce, and the Festhalle.

Meeting was reconvened at Leavenworth City Hall at 10:09 am and immediately recessed to an executive session for twenty minutes to discuss real estate matters pursuant to RCW 42.30.110 (b and c). No action taken. Final action on selling or leasing public property shall be taken in a meeting open to the public.

Regular session was reconvened at 10:32 am.

**Leavenworth Chamber Economic Development Partnership Agreement –  
 Right of First Refusal and Option Agreement**

The Commission discussed the Economic Development Agreement Regarding Liberty Station Condominium. This agreement implements a commitment made to the Leavenworth Chamber to acquire the condominium for office space. It includes a provision for the Port to have access to, and use of, the property's conference room for meetings, provided the space is available. Also, the Port will be able to maintain a kiosk holding materials in support of port projects and general information. Commissioner Larsen stated this agreement is in addition to the existing Economic Development Agreement with the Chamber. Pete Fraley stated the Port has right of first refusal in the event the Chamber elects to sell its interest in the property and an option to purchase in the event of certain defaults. Discussion ensued.

<b>Motion No.</b>	<b>09-05-10</b>
Moved By:	JC Baldwin
Seconded by:	Michael H. Mackey
	To approve the Economic Development Partnership Agreement with the Leavenworth Chamber as presented and to authorize the executive director to sign.

*Motion carried unanimously.*

**Commission Meetings**

Commissioners discussed Commission Meetings including meeting schedule and frequency, staff and consultant attendance, receiving information via email such as staff reports vs. staff updates during meetings. They also discussed having various

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industry leaders at meetings periodically for presentations. The Commission also discussed adding additional workshops throughout the year. This will allow ample opportunity for an annual review of policies. The Commissioners and staff will schedule workshops in April, July, and October annually. These workshops will take place throughout Chelan County.

Commissioner Mackey suggested adding an individual to staff dedicated to researching grant opportunities. Discussion ensued.

**Review Individual Commissioner Assignments**

Commissioners reviewed the committee assignments approved for 2009. Discussion ensued. Mark Urdahl stated Judy Bradford will compile a list of assignments and will indicate which assignments could be rotational.

Regular session recessed for a five minute break at 11:49 am. Meeting was reconvened at 11:55 am.

**Updated Five Year Financial Projection**

Monica Lough distributed handouts illustrating the five year financial projection. Illustrations included debt capacity, detail of investments, and five-year cash flow projections based on: no levy increase, levy increased by 3% new construction only, levy increased by 1% IPD and 3% new construction, levy increased by 1% and 1.5% new construction. Maintenance and operating expenses reflect the two employees that will be retiring in 2011. No change anticipated in rental income. Reports are shown with no grant income filed and no property sales. Discussion ensued.

Regular session recessed for lunch at 12:15 pm. Meeting was reconvened at 12:54 pm.

**Port Comprehensive Plan**

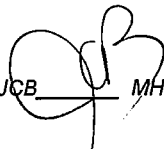
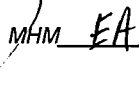
Pete Fraley reviewed the current comprehensive plan and possible revisions. He proposed having seven goals, as opposed to our current six. This additional goal would be targeted at the economic development and tourism-promotion authority. He stated that in terms of leasing policies, we have been proactive, utilizing the Port's ability to lease properties on terms and conditions deemed necessary. Fraley reviewed the proposed revisions. Discussion ensued. Any changes to the comprehensive plan will require a formal notice and hearing process.

Regular session recessed for a ten minute break at 1:29 pm. Meeting was reconvened at 1:39 pm.

**Peshastin Mill Site Discussion –Task #1 Presentation by Heartland**

Matt Anderson and Matt Hoffman conducted the Heartland Task 1 presentation. Anderson stated Task #1 is the fact finding mission, which is now complete. Task 2 will be more refined and will include site specifics, testing, and public outreach. Task 3 will be the final report. Anderson stated this draft process started several months ago with a round table discussion. They began looking at niche uses such as the wine industry, hospitality, and outdoor recreation manufacturing. During the presentation Mark Urdahl and Pete Fraley outlined the history and process of acquiring the Peshastin property, which was finalized in 2003. Discussion ensued regarding the information from the study, possible second access to the property, and potential uses for the site.

Regular session recessed for a ten minute break at 2:44 pm. Meeting was reconvened at 2:55 pm.

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**Review OSIP Issues**

Mark Urdahl suggested a review of Olds Station Business Park portfolio and review of Port leasing policies.

Raylene Bradley, Jon Eberle and Pete Fraley met to evaluate whether the protective covenants need to be updated or whether revisions are necessary to bring things current. In general, staff concluded that the covenants are working as hoped. Fraley explained the history of the covenants and how some of the covenants were modified for specific circumstances. Discussion ensued. Fraley stated we have the right, but no obligation to enforce the covenants. Discussion ensued. Fraley and Bradley will meet to paper and enforce some of the covenants. Bradley will enforce the covenants in a manner the Commission feels is reasonable.

Mark Urdahl stated there is a possibility that McDougall & Sons may relocate to their Baker Flats property. Brief discussion ensued.


Laura Jaecks stated she and Ron Johnston-Rodriguez have been meeting with individuals in the medical industry. They have been investigating and discussing what the potential might be to have this industry in Olds Station. Brief discussion ensued about the possible deindustrialization of Olds Station Business Park.

Discussion on Future Capital Improvement Projects has been tabled for a future meeting.

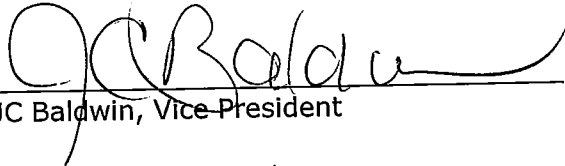
Meeting was adjourned at 3:52 pm.

Signed and dated this 4<sup>th</sup> day of November, 2010.

**PORT OF CHELAN COUNTY**




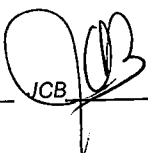


Craig N. Larsen, President



JC Baldwin, Vice-President

*Excused Absence*

Michael H. Mackey, Secretary

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September 28<sup>th</sup>, 2010