

CenterFuse
Board of Directors Meeting
REGULAR MEETING Agenda
Wednesday, January 8, 2020 - 4:00-5:30 pm

- 1. Call to order**
- 2. Approval of the agenda***
- 3. Approval of minutes* December 11, 2019 regular meeting**
- 4. Board Business**
 - A. Vote on Slate of Officers for January Election nominated at December meeting:
Chair – Jared Vallejo
Vice Chair – Linda Schactler
Secretary – John Perrie
Treasurer – Grant Clark
 - B. Airport Lease Approval
- 4. January Planning Retreat**
 - A. Review of Mission/Vision/Values
 - B. When you look ahead in 2-3 years, what will CenterFuse have accomplished?
- 5. Executive Director report**
- 6. Public Comment**
- 7. Adjournment**

NEXT MEETING: February 12, 2020 at 4:00 PM – Council Conference Room

Board Members:

Linda Schactler, Chair
Jared Vallejo, Vice Chair
Grant Clark, Treasurer
John Perrie, Secretary

Bill Provaznik
Steve Townsend
James Jankowski
Jamie Rosen
Garrett Poshusta

Council Liaison: Bruce Tabb

Staff: Carolyn Honeycutt



ELLENSBURG BUSINESS DEVELOPMENT AUTHORITY
dba CenterFuse
BOARD OF DIRECTORS MEETING MINUTES

REGULAR MEETING
Wednesday, December 11, 2019 - 4:00 pm
City Hall – Council Conference Room
501 N. Anderson Street, Ellensburg

In attendance: John Perrie, Jamie Rosen, Jared Vallejo, Linda Schactler, Garrett Poshusta, Grant Clark, James Jankowski, and staff Carolyn Honeycutt.

Excused absence: Steve Townsend, Bill Provaznik

1. Chair Schactler called the meeting to order at 4:00 PM.
2. **Motion to approve December 11, 2019 Agenda.** Vallejo; second Clark.
Approved.
3. **Motion to approve October 9, 2019 Regular Meeting Minutes.** Poshusta; second Perrie.
Approved.
4. **Board Business**
 - A. Board Member Vacancies.
Vallejo nominated Grant Clark to a three year term on the CenterFuse Board.
Approved.
Poshusta nominated James Jankowski to a three year term on the CenterFuse Board. **Approved.**
Perrie nominated Jared Vallejo to a three year term on the CenterFuse Board.
Approved.
Staff will forward these names to Council for confirmation and reach out and meet with the other candidates.
 - B. 2020 Slate of Officers for January Election.
Schactler nominated Jared Vallejo for Chair
Perrie nominated Linda Schactler for Vice Chair
Schactler nominated John Perrie for Secretary
Schactler nominated Grant Clark for Treasurer
Slate of Officers will be nominated and voted on at the January 2020 CenterFuse Board Meeting:
 - C. Review and Approve Interlocal and Incubator Lease.
Motion to adopt the Interlocal with amendments, removing sections 2.2 F #3, #4, #5, #6, and #7, and forward to City Council for adoption. Schactler; second Vallejo.
Approved.
Motion to accept Incubator Lease as presented. Clark; second Perrie.
Approved.
 - D. Board discussed Board Assessment Survey results.

E. Board reviewed 2019 Committee and Board Accomplishments and 2020 Workplans.

5. January Planning Retreat – Rosen, Poshusta, Vallejo, and Schactler volunteered to be on the Planning Retreat Committee, with Jankowski as an alternate.

6. Budget Approval and Resolution – Board discussed support of removal of the sunset for the .09 funding, which happens in 2023.

Motion to approve CenterFuse endorsing .09 funding sunset removal. Perrie;
second Clark.

Approved.

Motion to approve 2020 budget and resolution adding \$50,000 to Due from Government Income and \$50,000 Professional Fees Expenses for PWB Broadband Feasibility Study. Clark; second Rosen.

Approved.

7. **Executive Director Report** – Staff provided updates on the airport land lease with the county, Chamber Legislative Day (December 16, not the 9th), Incubator tenants, PWB approval of \$50,000 grant for broadband feasibility study, and airport building tour with David Chamberlain. Correction on report – one of the distilleries mentioned in the report (Applejax) is not a CWU group, as they have no affiliation with the university.

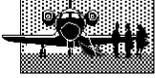
Adjournment: Meeting adjourned 5:15

Drafted: 12/17/19

Approved:



Ellensburg Business Development



LEASE

THIS LEASE is entered into by and between the **COUNTY OF KITTITAS**, Washington, the Lessor hereinafter referred to as the "**County**", and **ELLENSBURG BUSINESS DEVELOPMENT AUTHORITY, DBA CENTERFUSE**, the Lessee, hereinafter referred to as the "**Lessee**".

The County herewith agrees to let unto Lessee and Lessee herewith agrees to lease from the County the following described real property, situated in Kittitas County, Washington (the "Leased Premises"):

Lot C-1A of the Bowers Field Airport Binding Site Plan Amendment BS-18-00001, as recorded on July 26, 2019, in Volume 13, pages 40-43, County of Kittitas, State of Washington

Containing 50,965.2 square feet or 1.17 acres more or less

This Lease is made in accordance with the provisions of Chapter 36.34 RCW. This Lease is subject to the provisions of Chapter 59.12 RCW as currently existing or hereafter amended.

- 1) **TERM:** The Term of this Lease shall be for 30 years and will commence on the 1st day of January, 2019 (the "Effective Date") and shall terminate on the last day of December, 2049.
- 2) **RENT:** Rent shall be paid in advance on a annual basis, with the first payment due on or before the 1st day of February and continuing thereafter until termination of this Lease. The Rent for the first year of the Lease shall be \$7,135.13.

Late payments of Rent, including late remissions of leasehold excise tax provided for below herein, shall be subject to the payment of interest at the rate of 12% per annum until paid.

- 3) **ANNUAL RENT ADJUSTMENT:** Each year during the Term of this Lease, the annual Rent due shall be subject to increase by an amount equal to the Rent plus the product obtained by multiplying the Rent by the Consumer Price Index Annual Data for the year prior to the present year from "Consumer Price Indexes, Pacific Cities, and U.S. City Average" for "All Items Indexes" for "All Urban Consumers (1982-84 = 100)" published by the Bureau of Labor Statistics of the United States Department of Labor, for the period ending June of the year in which the determination is made and commencing in June of the immediately preceding year ("CPI").

a. If the CPI identified above does not increase, but rather declines, there shall

be no change in the Rent to be paid by Lessee to Lessor for that year.

- b. If the U.S. Department of Labor, Bureau of Labor Statistics, shall discontinue publication of the CPI identified above, then another index or category generally recognized as authoritative shall be substituted by agreement and if the parties should not agree, such substituted index shall be selected by the then presiding judge of the Kittitas County Superior Court upon the application of either party.
 - c. Failure to calculate and apply the Rent increase for one year shall not be considered a waiver of this provision for a succeeding year.
 - d. Each year following the CPI increase set out above, the amount of Rent to be paid shall become the new Rent for purposes of calculating the Rent increase for the next year.
- 4) **LEASEHOLD TAX:** In addition to the Rent required to be paid by Lessee to Lessor, Lessee shall collect from Lessee's sublessees the sum of 12.84% or such other leasehold tax rate that may be in effect pursuant to the laws of the State of Washington as they may be changed from time to time by the State of Washington, and shall remit those amounts collected to Lessor as part of each Rent payment.
- 5) **MAINTENANCE:** The Lessee covenants, promises, and agrees that it will perform all routine maintenance on said Leased Premises hereby demised so as to keep the same in as good as condition as the same now exists. Damage by fire, acts of God and reasonable wear, tear, and usage are excepted.

The Lessee further agrees that it will not commit waste, and that it will keep said Leased Premises and grounds, including those owned by the Lessee in a safe, sanitary and orderly condition and in general shall comply with all the applicable governmental rules, ordinances and regulations as may be required or imposed by such authorities on said Leased Premises hereby demised, and shall comply with any direction pursuant to law of any public officer or officers who shall be empowered to enforce all local, state, and federal rules, regulations and ordinances upon the Lessee with respect to the demised Leased Premises or the use, occupancy, or control thereof, or the conduct of any business therein, and shall not suffer any improper or offensive use of said Leased Premises.

The Lessee shall at all times comply with the rules and regulations relative to noxious weeds of the Weed District in which said Leased Premises is located. Lessee shall maintain the grounds in a neat and clean condition. This shall include mowing or spraying of grass and weeds. All herbicides or other materials used for the control or nurturing of grass and weeds shall be used in strict accordance with all federal, state and local statutes, rules and regulations.

The Lessee shall have the right to install or place signs or posters anywhere on or about the Leased Premises which are not in violation of law, rules or regulation and which do not produce a hazard for the County or other Lessees or persons

at the airport. All such installations shall be approved by the Airport Manager and shall be at the expense of the Lessee and shall be within the public liability coverage.

The Lessee shall not construct any buildings nor alter any existing facilities without first having the written consent of the County herein, which consent shall not be unreasonably withheld.

- 6) **PURPOSE:** Lessee may use the Leased Premises for the following permitted uses:
 - a. Small Business Development and subleasing of part or all of the Leased Premises.
 - b. Any other use for which there is express prior written consent by the County.

- 7) **RULES AND REGULATIONS:** The Lessee agrees to comply with all the pertinent rules and regulations of the federal, state and local governments, as well as the rules, regulations, ordinances and the Minimum Standards for Aeronautical Activities at the Kittitas County Airport (Bowers Field) (including, but not limited to, the regulations of the D.O.E, F.A.A., and E.P.A., relating to agricultural aerial spray operations and hazardous waste disposal) as are presently in effect and may in the future be adopted. The Lessee acknowledges receipt of the Minimum Standards for Aeronautical Activities approved by the Board of County Commissioners. Lessor shall not adopt rules and regulations that conflict with the purpose of the use of the Leased Premises by Lessee.

- 8) **ENVIRONMENTAL PROTECTION AND INDEMNIFICATION:** Lessee covenants to comply with all requirements of any law, regulation, order, or any judgment or decree regarding the environment or land use applicable to the Leased Premises or Lessee's operation during the Term of this Lease. Lessee covenants to defend (with legal counsel reasonably acceptable to the County), indemnify, and hold the County harmless for any damage, loss, cost or expense suffered by the County and for any imposition or attempted imposition by any person upon the County of any liability, obligation, or cost of whatever form arising from or related to the environmental condition of the Leased Premises or from a violation, or alleged violation by the Lessee, of from a failure, or alleged failure of the Lessee, to satisfy a requirement of any environmental or land use law or regulation (other than environmental losses that arise from the negligence or willful misconduct of the County). The County acknowledges and agrees that the Lessee shall have no liability whatsoever arising out of pre-existing contamination, to which the Lessee's indemnification set forth herein shall not apply, except to the extent of any release or exacerbation of pre-existing contamination caused by the activities of the Lessee or anyone acting by, through, or under the Lessee that results in a violation of or liability under applicable environmental law.

- 9) **INSPECTION:** At all times during the term of this Lease or any extension thereof, the County shall have the right to enter into and upon the demised premises during reasonable business hours for the purpose of examining and inspecting the same and determining whether the Lessee shall have complied with all of its obligations hereunder in respect to the care and maintenance of the Leased Premises and all other terms and conditions thereof.

Lessee agrees that the County and its employees, and agents from the Department of Ecology, Environmental Protection Agency, and any other governmental agency involved in environmental protection, have the right to make inspections any time during normal operating hours, without notice. If it is determined that Lessee has violated federal or state environmental control laws or regulations, upon ten (10) days written notice, Lessee must immediately commence and diligently pursue a permanent solution to the satisfaction of federal, state or local agencies, or vacate the Leased Premises (as specifically provided for in the Default Section herein). All costs required to remedy the problem shall be at the expense of the Lessee.

- 10) **LEASEHOLD IMPROVEMENTS:** Upon termination of this Lease, for whatever reason and under whatever circumstances, all improvements remaining upon the Leased Premises become the property of Lessor, free and clear, without any liability to Lessee. Should Lessor desire the removal of Lessee's improvements upon the date of lease termination, Lessor shall give Lessee written notice to remove all improvements and return the Leased Premises to its state as before the lease at least thirty (30) days prior to the termination date for the lease. Upon removal, the Leased Premises shall be left in a neat and orderly condition, without debris and shall be graded level. Should the Leased Premises not be left in such condition, after Lessee received such notice, Lessor may remove improvements and repair the Leased Premises and seek reimbursement from Lessee in any manner allowed by law.
- 11) **COUNTY'S LIABILITY:** The County shall not be liable for any damage occasioned by failure to keep said Leased Premises in good repair and shall not be liable for any damage done or occasioned by plumbing, water, or sewage, or the breaking, leaking or running of any cistern, tank, water closet, water faucets, or waste pipes in or above or on or about said buildings or Leased Premises, nor for damage occasioned by water, snow or ice being upon or coming through the roof, skylight, trapdoor, or otherwise, nor for any damage arising from the accident or neglect of the Lessee or any of its members or any Lessees or occupants of adjacent or continuous property.
- 12) **ASSIGNMENT:** Lessee shall not assign this Lease without the written consent of the County, which consent shall not be unreasonably withheld. Lessee may sublease all or part of the Leased Premises during the Term of this Lease.
- 13) **HOLD HARMLESS:** The Lessee shall indemnify and save the County, its officers and employees harmless from all loss, damage, liability, or expense (including expense of litigation) arising out of or resulting from the actual injury to,

or death of, any person, or from any actual loss of or damage to property belonging to any person upon or incident to the Leased Premises.

- 14) **RIGHT OF U.S. GOVERNMENT:** The County holds title to the property herein leased, partially by virtue of a deed from the United States Government. A copy of said deed is available for inspection at the office of the Kittitas County Department of Public Works, and is hereto made a part of this instrument as though fully set forth herein. Lessee agrees that it will do nothing which will cause the Lessor to be in violation of the terms of said deed. Lessee further agrees that it has had ample opportunity to review said deed and is aware of all of the terms and conditions therein.
- 15) **ATTORNEY FEES:** In case Lessor shall bring suit to recover any rent due hereunder, or for breach of any provision of this Lease, or to recover possession of the Leased Premises, or if Lessee shall bring any action for any relief against Lessor, declaratory or otherwise, arising out of this Lease, the prevailing party shall recover reasonable attorney fees which shall be determined and taxed by the court as part of the costs of such action.
- 16) **BANKRUPTCY:** It is further agreed and understood that in case of the insolvency or bankruptcy of the Lessee, or any assignment for the benefit of creditors or the appointment of a receiver for the Lessee, this Lease shall be immediately forfeited and shall be of no further force and effect, and that the Trustee in Bankruptcy, Receiver, or Assignee for the benefit of creditors shall not have any rights whatsoever in the demised premises.
- 17) **INSURANCE:** The Lessee shall obtain and maintain in force during the term of this agreement a liability insurance policy, which provides protection for bodily injury (including death) and property damage. Said insurance shall provide coverage by the Lessee to any employees or permittees of the Lessee, and shall name the Lessor as coinsured.
 - a. Liability insurance policy shall have the following provisions, at a minimum:
 - (i) Leased Premises and leased area liability coverage in an amount not less than \$1,000,000 - each occurrence.
 - (ii) Provide for not less than thirty (30) days in advance a written notice to Kittitas County regarding any material change or termination of the policy.
 - b. Lessee hereby releases Lessor of and from every and all right, claim and demand that Lessee may hereafter have against Lessor, its successors or assigns, arising out of or in connection with any loss or losses occasioned by fire and such items as are included under the normal extended coverage clauses of insurance policies, and does hereby waive all rights of subrogation in favor of insurance carriers against Lessor arising out of any losses occasioned by fire and such items as are included under the normal extended coverage

clauses of fire insurance policies, and sustained by Lessee in or to the said Leased Premises and leased area.

The Lessee shall provide the Lessor with a copy of said insurance policy.

- 18) **DEFAULT:** In the event that the Lessee shall violate this Lease, or any of its conditions or terms as herein stated, the Lessor may terminate this Lease by giving ten (10) days written notice of the conditions or terms being violated and if said violations are not corrected within the ten-day period, the lease may be canceled, and the County shall be entitled to peaceably retake possession of the Leased Premises, provided the Lessee shall have the right to remove improvements as herein provided. Under circumstances where a potential default situation occurs which would reasonably require more than 10 days to cure, Lessee shall be provided a reasonable time to cure before Lessor may retake possession of the Leased Premises.
- 19) **HUNTING:** Hunting or discharging of firearms will not be permitted on or from said Leased Premises.
- 20) **NOTICES:** Any notice given by one party to the other in connection with this agreement shall be in writing and shall be sent by certified or registered mail, return receipt requested, as follows:

a. If to Lessor, addressed to:

Kittitas County Department of Public Works
411 North Ruby Street, Suite 1
Ellensburg, WA 98926

b. If to Lessee, addressed to:

Ellensburg Business Development Authority, dba CenterFuse
501 North Anderson Street
Ellensburg, Washington 98926

Notice shall be deemed to have been received on the third day after the date of mailing.

- 21) **VENUE:** In the event there is any litigation between lessor and Lessee arising out of this Lease, the venue for such action shall lie in Kittitas County, notwithstanding any contrary provision of the Revised Code of Washington.
- 22) **INTEGRATION:** Exhibits and Recitals are incorporated herein by this reference. This Lease embodies the entire agreement between the parties with respect to the subject matter herein contained. No amendments or modifications hereof shall be enforceable unless in writing, signed by the party to be charged.

- 23) **NONDISCRIMINATION:** The (grantee, licensee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, permittee, etc.) shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

- 24) **MODIFICATION OR TERMINATION DUE TO CHANGED FEDERAL OR STATE REGULATIONS:** Lessee and Lessor agree that Lessor may, at Lessor's sole discretion, modify the terms of this Lease in whole or in part, including but not limited to any term or condition of this Lease, including cancelling the unexpired portion of this Lease and re-letting the property to another tenant, in the event that any Federal or State regulation governing airports or county property is amended in a way that impacts the Lessor's ability to lease, use, control, protect, or maintain the Property. For the purposes of this section, "regulation" is defined to include, but is not limited to: case law interpreting any rule or regulation; any federal rules and regulations, including Federal Aviation Administration rules and regulations; state rules and regulations.

In the event that Lessor shall elect to modify or terminate this Lease, Lessor shall do so only upon one hundred twenty (120) days written notice, notifying Lessee, at Lessee's address of record, that the lease to which this applied is being so modified or terminated.

Upon receipt of such notification, and in the event the notification specified modification of the lease short of termination, Lessee shall have sixty (60) days in which to notify Kittitas County of Lessee's intention to continue the lease as modified or of Lessee's intention to treat the lease as terminated.

In the event that Lessee elects to treat the lease as terminated, all rents shall be pro-rated to the date Lessee shall have restored the Leased Premises to the Lessor in accordance with the terms of the lease agreement governing Lessee's duties to restore the Leased Premises to Lessor upon expiration of the lease term.

It is further agreed that neither such modification or termination of this Lease nor any subsequent re-letting of the Leased Premises, in whole or in part, shall give rise to any cause of action for damages or any other form of relief by Lessee against Lessor or any successor lessee.

In the event of such modification or termination, Lessee agrees that other than a refund of any unearned rent prorated to the date Lessee has restored the Leased Premises to Lessor, Lessee shall have no claim against the Lessor for compensation as occasioned by said modification or termination. Lessee further agrees that its sole source for recovery for any and all damages would be only against the Federal or State entity whose regulation necessitated the modification or termination.

- 25) **WAIVER:** No assent, express or implied, by the Lessor to any breach of any of Lessee's covenants, agreements, conditions or terms hereof shall be deemed or taken to be a waiver of any succeeding breach of any covenant, agreement, condition or term hereof.
- 26) **APPLICABILITY:** The covenants, agreements, terms and conditions contained in this lease shall apply to and be binding upon Lessor and Lessee and their respective heirs, executors, administrators, successor and assigns. This Lease replaces any existing lease between the parties hereto as of the Effective Date of this Lease.

IN WITNESS WHEREOF, the Lessor and Lessee have signed their names and affixed their seals the day and year first above written.

LESSOR

BOARD OF COUNTY COMMISSIONERS

Attest:

Chair

Clerk of the Board

Vice Chair

Commissioner

LESSEE

Approved as to form:

Prosecuting Attorney

WSBA # _____

Chair - Ellensburg Business Development
Authority, dba CenterFuse

Address: _____

January 9, 2020

To: Mark Cook, Kittitas County Public Works Director
Ellensburg, WA

From: Carolyn Honeycutt, Executive Director
CenterFuse

CC: Kittitas County Board of Commissioners
Chuck Zimmerman, Ogden Murphy Wallace

Re: CenterFuse Airport Land Lease

Please find attached the CenterFuse airport land lease executed by the Board of Directors at their monthly meeting on January 8, 2020. This lease replaces the existing lease signed in January 2000, as our leased land decreased from 151,812.51 SF to 50,965.2 SF. The new lease is required due to the change in size and description of land.

This lease reflects changes made by CenterFuse attorney Chuck Zimmerman to correct the original lease sent to CenterFuse. These corrections adjust inconsistent language related to lease rate increases, vague language on rental adjustments, terms of the lease, and several other concerns previously brought to your attention.

Please authorize and execute the appropriate signatures so that we can forward a check for both 2019 and 2020 rents as soon as possible. Thank you.





CENTERFUSE

Economic Business Development
Ellensburg, WA

STAFF REPORT

DATE: January 4, 2020
TO: CenterFuse Board
FROM: Carolyn Honeycutt, Executive Director
SUBJECT: Monthly Update

Slate of Officers - The slate of officers were nominated at the December meeting and will be officially voted on at the beginning of the January meeting.

Airport Lease – Included in your packet is an airport land lease and a letter to Mark Cook, Public Works Director. The last email I received from them requested that we sign an addendum instead of a new lease, which we cannot do since we adjusted the amount of land. Our attorney Chuck Zimmerman advised us to accept all the changes to the lease he worked on several months ago and execute the lease at our meeting, so that is what we will discuss at the meeting and vote on.

Strategic Planning – If you have not completed the Doodle Poll to schedule the Strategic Planning meeting, please complete it now <https://doodle.com/poll/uuagsavwaw68tfd2>. We will prep for the Strategic Planning session at our meeting on January 8, please review Mission/Vision/Values below and also think about what you envision CenterFuse will have accomplished in the next 2-3 years.

- In order to promote prosperity in Ellensburg, the EBDA collaborates with local, regional, and state partners. The EBDA exists to attract, retain, and expand business, and to connect communities and businesses with economic development resources.
 - **To promote the success of Ellensburg businesses** by providing development opportunities: budget and management training, leveraging IT, etc. In collaboration with the EDA and the City of Ellensburg, the EBDA

provides first-stage companies that are on the verge of becoming second-stage companies with networking, roundtable, and peer-to-peer interactions.

- **To identify business opportunities** that are compatible with Ellensburg's quality of life values: e.g. low environmental impact; well paying jobs; leverage proximity to transportation corridors, university, and Puget Sound core.
- **To prepare workforce and infrastructure** to attract those businesses: low-cost energy; responsive IT; well educated, adaptable workforce, inventory of real estate
- **To reach out strategically to bring business to Ellensburg.** Meet with and engage business.
- **Mission:** The primary mission of the EBDA is to be a catalyst for sustainable economic development in Ellensburg and to foster an environment that supports businesses and nurtures growth and new investment in the community.
- **Vision:** Ellensburg, Washington, is a dynamic and prosperous area, in perpetual renewal, fueled by imagination, innovation, and community involvement. We enjoy unmatched natural beauty as well as a vibrant economy that supports family housing and robust professional opportunities. EBDA sets the standard in economic growth as a leader promoting investment and sustainable development and is responsible for providing leadership for the economic growth strategy of Ellensburg.
- **Values:**
 - **Collaboration:** EBDA values the insight and support of community business, the City of Ellensburg, Central Washington University, and regional community economic development organizations.
 - **Community:** Our community is our most valuable asset. We are proud of our people and our business, our history and the incomparable natural beauty around us.
 - **Ethics:** EBDA is committed to the highest standard of ethics in all of our partnerships and initiatives.
 - **Sustainability:** EBDA seeks business development strategies that result in low or no negative environmental impact and that are economically sustainable over the long term.

WEDA – Linda forwarded me information on the 2020 WEDA (Washington Economic Development Association) conference February 5-6. The early registration deadline was December 31 and I barely got it in for two registrations. The thought now is that Linda (if it works for her schedule) and I will attend. We also joined the WEDA organization and submitted two award nominations for CenterFuse, which I have included in the packet. We received letters of support from City, CWU, County, and Hotel Windrow.

Interlocal – Both the City Attorney and City Manager approved our changes to the Interlocal and it will go to Council with the lease on Monday for approval.

Letters of Support – CenterFuse will send a letter of support for the removal of the Sunset for the .09 funding in 2023 (discussed at the last meeting) and for the 1% County Sales Tax Option to support Behavioral and Mental Health Services. Information on the sales tax option was presented at City Council on December 2nd can be read here [https://ci.ellensburg.wa.us/AgendaCenter/ViewFile/Agenda/ 12022019-586](https://ci.ellensburg.wa.us/AgendaCenter/ViewFile/Agenda/12022019-586) starting on page 100. Council voted to authorize a letter of support.

Microloan – Audra Jien Fuller has chosen to pay off the loan when it is due. Her last payment will be in April 2020 and this will officially close this program.

Incubator – Whipsaw signed a new lease for just unit 4 and will get rent payments caught up over the next couple of months beginning Monday. Modern Millwork has most of their stuff out. I took new pictures of the vacant spaces and will list Units 1, 3 and 5 this week.

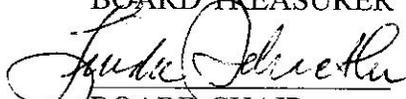
Board Vacancy Candidates – I contacted both of the board candidates that were not selected about meeting for coffee to discuss CenterFuse, but did not hear back from either one of them.

Executive Director Review – I met with FutureForce executive board for my review and a copy of the review and letter from Linda were forwarded on to Kirsten Sackett, Community Development Director, with a recommendation that I be moved to 30 hours, which is currently what I am working. This may require a new agreement to cover the salary increase with additional COG funding.

VOUCHER APPROVAL

WE, THE UNDERSIGNED BOARD MEMBERS OF ELLENSBURG BUSINESS DEVELOPMENT AUTHORITY (EBDA), DO HEREBY CERTIFY UPON INFORMATION AND BELIEF THAT THE MERCHANDISE OR SERVICES HEREINAFTER SPECIFIED HAVE BEEN RECEIVED AND THAT **DECEMBER 2019** CLAIMS AS LISTED ON THE ATTACHED STATEMENT IS APPROVED FOR PAYMENT AS FOLLOWS:

CLAIMS FUND CHECK NUMBERS **11137** THROUGH **11144** TOTALS IN THE AMOUNT OF **\$12,789.29**


BOARD TREASURER

BOARD CHAIR

Batch ID: 122019EBDA
Batch Comment:

Audit Trail Code: PMCHK00000050
Posting Date: 12/20/2019

Checkbook ID: OPERATIONS

* Voided Checks

Check Number	Date	Payment Number	Vendor ID	Check Name	Amount
11137	12/20/2019	11370	000002	Abracadabra	\$250.00
11138	12/20/2019	11371	000009	Central Washington Property Re	\$276.17
11139	12/20/2019	11372	000010	City of Ellensburg	\$10,510.84
11140	12/20/2019	11373	000026	Kittitas PUD	\$92.54
11141	12/20/2019	11374	000049	Waste Management of Ellensburg	\$298.03
11142	12/20/2019	11375	000057	ACCOLADE PROPERTY MANAGEMENT G	\$375.00
11143	12/20/2019	11376	000063	CAROLYN HONEYCUTT	\$69.31
11144	12/20/2019	11377	000077	ASI ARDEN SOLUTIONS INC	\$917.40
Total Checks: 8					-----
					Checks Total: \$12,789.29
					=====

EBDA ACCOUNTS RECEIVABLE AGING SUMMARY

As of January 2, 2020

	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>TOTAL</u>
Airport					
Unit 1 - CW Property Restorations	\$ 1,218.03				\$ 1,218.03
Unit 2 - MedaNova dba gigglydoo	\$ 2,153.00				\$ 2,153.00
Unit 3 - 1201 Bagels	\$ 1,376.25				\$ 1,376.25
Unit 4 - CWU Brewing Program	\$ 2,427.87				\$ 2,427.87
Total Airport	\$ 7,175.15				\$ 7,175.15
Ellensburg Incubator					
Bay 1 - Modern Millwork	\$ 309.34				\$ 309.34
Bay 2 - Scott Faulkner Design	\$ 839.18				\$ 839.18
Bays 3, 4, 5 - Whipsaw Brewing LLC	\$ 1,847.69	\$ 4,846.36	\$ 2,343.57		\$ 9,037.62
Total Incubator	\$ 2,996.21	\$ 4,846.36	\$ 2,343.57		\$ 10,186.14
Bad Debt*					
Bay 4 - Ellensburg Distillery (Incubator)	\$ -	\$ -	\$ -	\$ 2,877.12	\$ 2,877.12
MicroLoan*					
Audra-Jien Fuller	\$ 475.91	\$ -	\$ -	\$ -	\$ 475.91
Kittitas County - 4th Qtr COG	\$ 10,000.00				\$ 10,000.00
TOTAL					\$ 30,714.32

****NOTE:** Ellensburg Distillery signed agreement with EBDA in Aug 2016 to pay \$200 per month.

Last payment received 12/31/2019

Fuller Microloan:

Original note \$25,000 (5 yr, 8%)

Balance as of Jan 1, 2020 \$1,236.71 be paid off by March 2020

Security Agreement signed for trailer valued at \$3,500 June 2018

Ellensburg Business Development Authority
Balance Sheet
As of December 31, 2019

ASSETS

Cash	Operating Cash - Cashmere Valley Bank	129,691	
	Solarity CD and Savings	76,361	
	Accounts Receivable (COG)	10,000	
	Notes Receivable (Microloan)	1,501	
	Rent Receivable	<u>20,238</u>	
	Total Current Assets		237,791
	Building, Furniture, Fixtures	807,961	
	Less: Accumulated Depreciation	<u>461,220</u> *	
	Net Building, Furniture, Fixtures		<u>346,741</u>
TOTAL ASSETS			<u><u>584,532</u></u>

LIABILITIES

	Accounts Payable	-	
	Accrued Leasehold Taxes	4,725	
	Security Deposits and Prepaid Rent	<u>11,537</u>	
TOTAL LIABILITIES			16,261

EQUITY

	Unreserved Fund Balance		221,530
	Reserved		<u>346,741</u>
TOTAL LIABILITIES AND EQUITY			<u><u>584,532</u></u>

*figure per 2018 Form 990 from Bivens & Wilson updated depreciation schedule

**City moved to a cash basis as of July 1 - will discuss with them about Security Deposits which are now being entered as income/expenses.

ELLENSBURG BUSINESS DEVELOPMENT AUTHORITY
PROFIT AND LOSS
January - December 2019

	For the Twelve Months Ending December 31, 2019				Annual Budget Status		
	Jan-Dec	Dec	Jan-Dec	Jan-Dec	2019	Remaining	% of Budget
	Budget to Date	2019	YTD Actual	Difference	Total Budget	Total Budget	Remaining
Revenues							
Operations	80,000.00	10,702.93	81,889.43	1,889.43	80,000.00	(1,889.43)	(2.36%)
Airport (inc allow for bad debt/vacancy)	59,850.00	4,316.66 *	65,829.05	5,979.05	59,850.00	(5,979.05)	(9.99%)
Incubator (inc allow for bad debt/vacancy)	46,550.00	1,684.75	46,682.15	132.15	46,550.00	(132.15)	(0.28%)
Microloan	392.00	11.55	659.38	267.38	392.00	(267.38)	(68.21%)
Total EBDA Revenues	186,792.00	16,715.89	195,060.01	8,268.01	186,792.00	(8,268.01)	(4.43%)
Expenditures							
Operations	100,850.00	10,444.31	54,890.36	(45,959.64)	100,850.00	45,959.64	45.57%
Airport	29,400.00	368.71	17,179.23	(12,220.77)	29,400.00	12,220.77	41.57%
Incubator	8,400.00	344.81	14,014.86	5,614.86	8,400.00	(5,614.86)	(66.84%)
Microloan	-	-	-	-	-	-	0.00%
Total EBDA Expenditures	138,650.00	11,157.83	86,084.45	(52,565.55)	138,650.00	52,565.55	37.91%
Net Profit	48,142.00	5,558.06	108,975.56	60,833.56	48,142.00	(60,833.56)	(126.36%)
Operations							
Revenue	80,000.00	10,702.93	81,889.43	1,889.43	80,000.00	(1,889.43)	(2.36%)
Expenditures	100,850.00	10,444.31	54,890.36	(45,959.64)	100,850.00	45,959.64	45.57%
Contribution To/From Fund Balance	(20,850.00)	258.62	26,999.07	47,849.07	(20,850.00)	(47,849.07)	229.49%
Airport							
Revenue (inc allow for bad debt/vacancy)	59,850.00	4,316.66	65,829.05	5,979.05	59,850.00	(5,979.05)	(9.99%)
Expenditures	29,400.00	368.71	17,179.23	(12,220.77)	29,400.00	12,220.77	41.57%
Contribution To/From Fund Balance	30,450.00	3,947.95	48,649.82	18,199.82	30,450.00	(18,199.82)	(59.77%)
Incubator							
Revenue (inc allow for bad debt/vacancy)	46,550.00	1,684.75	46,682.15	132.15	46,550.00	(132.15)	(0.28%)
Expenditures	8,400.00	344.81	14,014.86	5,614.86	8,400.00	(5,614.86)	(66.84%)
Contribution To/From Fund Balance	38,150.00	1,339.94	32,667.29	(5,482.71)	38,150.00	5,482.71	14.37%
Microloan							
Revenue	392.00	11.55	659.38	267.38	392.00	(267.38)	(68.21%)
Expenditures	-	-	-	-	-	-	-
Contribution To/From Fund Balance	392.00	11.55	659.38	267.38	392.00	(267.38)	(68.21%)
Net Profit	48,142.00	5,558.06	108,975.56	60,833.56	48,142.00	(60,833.56)	(126.36%)

*includes a credit to 1201 Bagels for \$1,150 for double booking on rent in March



Washington Economic Development Association (WEDA)
Economic Development Awards Program
Celebrating Outstanding Achievements in Economic Development

Nomination Category: Innovation in Economic Development Award

Award Nominator, E-mail Address, and Phone Number: Carolyn Honeycutt, Executive Director,
ellensburgcenterfuse@gmail.com, (509) 962-7146

Project Nominated: Reboot: Redesigning Ellensburg Economic Development

Nominee's Name, E-mail Address and Phone Number: CenterFuse, Ellensburg, WA
ellensburgcenterfuse@gmail.com 509-962-7146

List of Name of Individuals to be Recognized: Linda Schactler, Jared Vallejo, Grant Clark, John Perrie, Bill Provaznik, Steve Townsend, James Jankowski, Jamie Rosen, Garrett Poshusta, Deborah Bezonah, Scott Fendley, Carolyn Honeycutt, Margaret Reich, and Bruce Tabb.

In 500 words or less, please tell us why you believe this nominee should receive this award:

The Ellensburg Business Development Authority (EBDA) was created as the public development authority by the City of Ellensburg in 1994. Over the years, various community groups managed the EBDA role in addition to other activities. The primary work product of the EBDA was managing property: a struggling business “incubator” and small light industrial facility. The organization lacked a strategic plan or vision for economic prosperity. Rather than leveraging local relationships and expertise, the EBDA experienced a fraught relationship with the City and virtually no relationship at all with Central Washington University, the Ellensburg Downtown Association, County elected officials, or individual local businesses. The job market of the area remained heavily reliant on government and tourism, primarily minimum wage.

In 2017 the City Council voted to place the EBDA under the umbrella of the City and provide some staff support. The assignment to the EBDA's volunteer board and the new executive director? A comprehensive reinvention of the EBDA and economic development in Ellensburg.

The work began by collecting financial records, reviewing and rewriting old bylaws and policies. The board established new, clear and vibrant mission, vision and values. The organization would be proactive, confident, professional, intelligent, and innovative. Clients would feel confident, welcomed, and excited. CenterFuse would value strong partnerships, an energetic and welcoming business environment, innovative development strategies, and support for local businesses.

Having articulated an identity, the board set about developing a brand to express the new organization. Staff secured a grant of distressed counties sales & use tax funding to develop and implement a brand that would separate the EBDA from other “E” acronyms. “CenterFuse” was born as a way of expressing the board goal to ignite innovation and prosperity, and to be a central point of contact, collaboration, and coordination for economic development.

The new board were energized by the rapid rebirth of the organization. In addition to monthly meetings board members met one or two times per month to write and then implement a strategic plan and a work plan. They restructured and adopted financial systems; set new priorities and specific outcomes. The board mended or established strong partnerships with Central Washington University, Chamber of Commerce, County Commissioners, the Ellensburg Downtown Association, and the City, various departments as well as the council. The board has embraced data-informed analysis as the foundation for business development decisions.

The results have been exciting: two new tech companies, refreshed economic development content in the Comprehensive Plan; two Opportunity Zones in Ellensburg; and a badly needed searchable database of available land/buildings. “UnWind Session I” brought together local businesses and policymakers for a casual town hall on business success with guest speaker Lisa Brown, Director of the Department of Commerce. Next is an innovative, “gamified” how-to guide for business, land and building development.

CenterFuse is not slowing down but focused on innovative and aggressive strategies to promote prosperity and strengthen vitality in our community.





Washington Economic Development Association (WEDA)
Economic Development Awards Program
Celebrating Outstanding Achievements in Economic Development

Nomination Category: Emerging Professional Award

Award Nominator, E-mail Address, and Phone Number: CenterFuse Board of Directors,
ellensburgcenterfuse@gmail.com, (509) 962-7146

Name Person Nominated: Carolyn Honeycutt

Nominee's Name, E-mail Address and Phone Number: Carolyn Honeycutt, CenterFuse Executive Director, honeycuttc@ci.ellensburg.wa.us, (509) 962-7146

In 500 words or less, please tell us why you believe this nominee should receive this award:

Carolyn Honeycutt came to Ellensburg in 2010 as the new Main Street Director for a struggling organization, increasing the budget by almost 300%, leading projects that inspired over \$27M in public and private investment in the economic core of the city. She developed business training and entrepreneur development programs, as well as events and programs to promote economic vitality. In 2018, Carolyn's work earned Ellensburg recognition as a top 10 Great American Main Street finalist.

In 2018, Carolyn became the executive director of CenterFuse, the City's business development authority, a nine-member volunteer board of community members. The entity had stagnated and the City directed a complete overhaul of the organization. Under Carolyn's leadership, the board has a vibrant new mission and a vision for economic prosperity and values to support both the mission and vision; a new brand and marketing plan articulate and promote mission, vision, and values. Carolyn has worked with the board to restore accountability and financial transparency. A new strategic plan and work plan guided this work and have set CenterFuse on an exciting path forward, curating growth the City is already receiving from neighbors to the west, and growing entrepreneurship and stability for existing businesses.

Carolyn's Executive Director position includes oversight of the Ellensburg Arts Commission, which she has helped to restructure meetings and public art policies. Organizationally her position is housed inside the City Community Development Office, ensuring maximum coordination with city planning. Under Carolyn's leadership, CenterFuse undertook the full and detailed rewrite of the economic development portion of the community Comprehensive Plan—the first in a decade. On behalf of CenterFuse, Carolyn is continuing this work, helping City staff to evaluate community land use and zoning policy. Her knowledge will inform the CenterFuse's next big project, "gamifying" the navigation of permitting and land use guidelines for new and expanding businesses and developers.

In addition to managing the volunteer board and coordinating development initiatives with the City, on behalf of CenterFuse Carolyn manages the Ellensburg Business Incubator and owns and manages a light industrial business park. In coordination with the board, Carolyn has updated all aspects of property management and development, including leases, budgeting, business recruitment, and property maintenance oversight for seven tenants. Over the past 12 months, Carolyn has worked with the board to complete a cost-benefit analysis of both facilities, in order to understand how best to leverage board and City resources to promote economic development.

Carolyn's expertise in promoting investment has helped CenterFuse position the City for new opportunity. In 2018 she helped complete the data collection and community description that resulted in the governor naming two census tracts in Ellensburg as Opportunity Zones. Recently Carolyn helped the CenterFuse board win a \$50,000 grant for Broadband Feasibility Study, from the Public Works Board. In July, Carolyn presented and received authorization for an increased Distressed Counties Sales Tax grant that will expand the capacity of CenterFuse to reach out to the community and to implement marketing strategies designed to support the strategic plan.



Ellensburg Business Development