

# CITY MANAGER WEEKLY UPDATE REPORT ~ KENT MYERS

February 26, 2010

I wanted to let you know that the new Board for the Clallam Business Incubator has continued to meet to discuss the future direction of the Incubator. I have attached a copy of the minutes from our meeting this week. As indicated on the final page of the minutes, next Monday we are planning on having a special meeting to make some final recommendations on the future of the Incubator. One of the key decisions is whether the Incubator should continue to operate. If the Incubator continues, then we need to decide whether we should continue to try to attract a wide variety of different businesses to the facility or whether we should focus on certain business clusters. Please review the attached minutes and e-mail me with any comments prior to the meeting this coming Monday afternoon.

This week I had the opportunity to meet with First Federal's new President & CEO, Levon Mathews. He has a lot of experience in community and economic development and should be a real asset to our community. I will invite him to attend a future City Council meeting so he can have the opportunity to meet you.

Also, this week the Mayor and City staff participated in a very positive meeting with representatives from the Lower Elwha Klallam Tribe (LEKT) to discuss the numerous projects planned for 2010 that involve both the City and the Tribe. This meeting provided an opportunity to exchange updated information on these projects and it was somewhat surprising to learn of all of the different areas where we are working together for our common good.

In addition, later in the week I had the opportunity to participate in a meeting with representatives from both the LEKT and Jamestown S'Klallam Tribe to discuss the current status of the Harbor-Work's due diligence review process for the Rayonier property. Both Frances Charles and Ron Allen were in attendance at this meeting and they pledged their cooperation to working with us to clean up and redevelop this property. Since several key decisions will be made on this property over the next four to five months, and their continued involvement and cooperation will be critical to our success.

Several City officials joined about 25 local citizens on Wednesday evening at the forum sponsored by the Olympic Environmental Council. The forum included presentations on some new techniques to complement our current approach in dealing with our CSO and stormwater issues in the future. Following the presentations Steve Sperr was able to provide some information on our recent progress and future plans for the CSO improvements. So, from all indications, the forum offered a good exchange of information.

Have a great weekend!

***- Kent Myers***

Clallam Business Incubator

Board of Directors Meeting

Lincoln Center, February 22, 2010

3 to 5 p.m.

Attendees: Tom Keegan, Jim Jones, Craig Johnson, Jane Pryne, Jeff Robb, Kent Myers, Mike McAleer (EDC) and Linda Rotmark (ex-officio). Mike Rauch was unable to attend.

Guests: Tim Strege, Lincoln Ferris, William Factory Incubator, Pierce County.

Agenda changes were suggested by designated Chair, Craig Johnson. The presentation by Tim and Lincoln was placed as first order of business with the actual CBI business meeting items coming after their PowerPoint.

Also, Jim Jones added a topic 3C "registered agent assignment for State of Washington"

Linda Rotmark introduced Tim Strege, Executive Director of William Factory Incubator and Lincoln Ferris. Tim began by giving a background of the inception of the incubator in the 1980s. Between Tim and Lincoln, several concepts came out of their best practices:

- Incubator candidates must have to want to grow and create jobs.
- First source employment is a priority: WorkFirst, less employable, etc.
- In 2009, the Incubator contains 343 FTE jobs with an average of \$23 to \$25/hr.
- Lincoln shared his findings as he has worked with other counties including Wahkiakum, Yakima, etc.
- Lincoln and Tim see value in a network of resources for all incubators in the state and, perhaps, in the nation.
- Want Clallam County to be successful so that all can learn from each other.
- NBIA membership is valuable.
- Incubator should be thematic based with a targeted industry cluster.
  - Staff more focused
  - Specific industry subscriptions can be obtained
  - Mentors are selected for that specific industry
  - Network can be built

- Choose a cluster where they can earn family wage jobs
- Who are the entrepreneurs in Clallam County that are naturally occurring?
- Establish performance matrix:
  - Financial
  - Marketing
  - Sales
- Through a thematic-based incubator, competitors can still assist each other within the building.
- The staff and its mentors need to be advocates professionally, politically, etc.
- Pick the cluster and then let the entrepreneur pick the products/projects.
- Perform an “asset inventory” in the county. PNNL began it through the IPZ in Clallam and we just need to ask them to complete it.
- Have a strong screening process beyond the existence of a business plan.
- “Grow companies” not just “start companies.”
- WFI charges above market rate but have state of the art free services. That way, it encourages them to use the services rather than cutting corners and not utilizing mentors and pro bono legal and financial experts.
- Graduate companies based on competency standards rather than time spent.
- Access to capital the #1 attraction to the incubator.

End of guest speakers.

Business meeting:

Tom Keegan moved with Jane Pryne’s second to accept the financials as of January 31, 2010. Passed.

Jeff Robb clarified in January’s Board of Directors’ minutes that item 6a was a request to define what we are going to be as far as services for the Incubator. Kent Myers moved with Tom Keegan’s second to accept the minutes of January’s meeting with Jeff Robb’s clarification to be noted in February Board Minutes. Passed.

The Board read and accepted the Memo of Understanding between contract bookkeeper Beth Loveridge and the CBI to provide bookkeeping services through a motion made by Kent Myers and second by Jim Jones. Passed.

Jim Jones discussed the need for a designated registered agent for the State of Washington form required by the Secretary of State non-profit filing. Craig Johnson signed as acting Chair. The document will be sent on 2/23/10 by EDC staff.

At this time, Craig Johnson, due to a perceived conflict of interest, asked Jim Jones to lead the discussion on the telecommunications and lease options they were proposing. Jim began by talking about the various rates of the incubator participants and non-participants. Craig explained the telecommunication services along with the information that the contract with Capacity Provisioning (CPI) expires July 2010 and Qwest's contract expires in 2012. Craig then presented a listing of current service charges, along with proposed rate changes. Essentially, reducing their current monthly charge of \$526.80 to \$326.80.

Jim Jones then discussed the rent rates and the background supporting the various charges from \$.75 to \$1.25/sq foot. Also discussed was MxG's unavailability and what to do with the room full of furniture and equipment. Discussion was continued without a motion to keep the rents and telecommunications as is except the CPI reduced rates.

A conversation continued about the future of the CBI. Port Manager Jeff Robb, indicated that his Commission wants a business plan, a decisions made on the caretaker's (EDC) length of service. Also, is the building going to continue as a true incubator or, perhaps, as a "business development center."

After lengthy discussion, the Board decided to hold a special planning meeting on Monday, March 1 from 3 to 4:30 with the following, proposed discussion points:

1. Discuss whether the Incubator is a "go/no go"
2. Could it run as a "Business Development Center" only?
3. Should it be closed down?
4. If it is a "go" as an incubator:
  - a. Should it continue as a non-themed incubator?
  - b. If it should be thematic identify industry cluster as theme
    - i. Marine services? (merchant marine was suggested from the past)
    - ii. Composite?
    - iii. Ecological restoration
    - iv. Green construction?
    - v. Alternative energies?
    - vi. Ag/food/tourism
  - c. Identify direction, propose budget, hire someone to move the plan forward

Linda Rotmark will send out a draft agenda and a meeting announcement for the March 1 meeting.

Meeting was adjourned at 5:20 p.m.