

WORKFORCE DEVELOPMENT COUNCIL
Special Board Meeting Minutes
May 2, 2007
SkillSource, Wenatchee

Cheri Rayburn called the meeting to order at 12:10 p.m. The special meeting was called to take action on the proposed lease between SkillSource and Employment Security for space at the One Stop building in Moses Lake.

Members and guests were introduced.

Attorney Phil Johnson explained if the tenant in the lease were a private party, he would recommend changes before approval. Five proposed changes were recommended to the State; none were accepted. The recommendations concerned the boilerplate language. It does not contain all the language a lease holder would like, but this most likely is not an issue with the State as the tenant. He recommends approval.

Shaun asked if the \$15 per square foot covers the cost of the building. Dave answered yes the rent is based on actual costs.

Phil said the lease has a five year term and another five years may be negotiated. Because this vague language isn't binding, ideally it would be left out. The State agrees it is meaningless but wants it included. Kathy explained the lease is for five years firm, with no escape clause, which is unusual. The lease does not include an escape clause for SkillSource either. If SkillSource lost funding and needed to sell the building, the State agreed to discuss reconfiguration of the space.

The Resource Sharing Agreement (RSA) is in addition to the lease. Employment Security will separately pay a prorated share of joint costs not included in the lease. The space costs charged to other partners will be based on the ESD lease rental rate. Employment Security had 20 of the total 40 employees when planning started, and agreed to pay 50 percent of career center costs.

This lease is \$107,000 and another \$40,000 of rent is anticipated once additional partners move to the building. Without partners the total expense would be paid from the Grant/Adams budget.

Karl asked about partners currently co-located at WorkSource Moses Lake. This lease applies to Employment Security staff. Kathy said the current co-located partners will be in the building but pay via the Resource Sharing Agreement.

One unique feature in the lease is the ability for the tenant to withhold 10% of the rent payments. This is in the boilerplate and allows the State to withhold rent if the building isn't properly maintained. Withheld funds and accrued interest are paid once the deficiency is corrected.

The Workforce Development Council fiscal agent in Colville signed the same lease with Employment Security Department five years ago for their one stop building. Their lease is up this month and will be renewed for five years.

Mike Baird moved and Dimitri Mandelis seconded to accept the lease as presented and authorize Dave Petersen to sign the lease. Motion passed. Kathy Mertes abstained.

The architect notified Dave this morning the Certificate of Occupancy will be ready tomorrow. The City requested additional crosswalks in the parking lot.

Both ESD and SkillSource staff are scheduled to move at the end of the week. The SkillSource lease at the old Penny's expired April 30.

The May 22 board meeting will be in Moses Lake at the new building.

Meeting adjourned at 12:45 p.m.

Members Present:

Cheri Rayburn
Bill Bonaudi
Shaun Koos
Dimitri Mandelis
Karl Allison
Kathy Mertes
Duane Johnson
Mike Baird
Keith Goehner, ex-officio

Staff:

Dave Petersen
Lisa Romine
Cindy Blaufuss

Phil Johnson, Attorney

Members Absent:

Mike Bolander
Tom Boyd
Terry Brewer
Steve Chestnut
Oscar Garza
Peggy Gill
Mel Hansen
Roni Holder-Diefenbach
Terry Llewellyn
Armando Lopez
Georgia Nelson
Malachi Salcido
Gene Schmidt
Roger Thieme
Mike Wade