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**MINUTES OF THE  
ANNUAL MEETING OF THE BOARD OF DIRECTORS  
OF THE INDUSTRIAL DEVELOPMENT CORPORATION  
OF THE PORT OF SEATTLE**

**April 9, 2013**

The annual meeting of the Board of Directors of the Industrial Development Corporation (IDC) of the Port of Seattle, Washington, was held on April 9, 2013, during a recess of the Port Commission regular meeting on the same date, which convened at 1:05 p.m. at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. The annual meeting of the Board of Directors of the IDC convened at 1:29 p.m. Directors present included Tom Albro, Bill Bryant, and Courtney Gregoire. Director Creighton was excused to attend to Port of Seattle Commission business.

**1. Approval of Minutes**

Minutes of the IDC meetings of March 6 and September 11, 2012.

**Motion for approval of the IDC meeting minutes of March 6 and September 11, 2012 – Bryant**

**Second – Gregoire**

**Motion carried:**

**In Favor: Albro, Bryant, Gregoire (3)**

**Absent for the vote: Creighton**

**2. Election of Board of Directors Officers**

**ACTION REQUESTED:** Request Board approval of the IDC Board of Directors and Officers for 2013.

Request documents: IDC memorandum dated March 22, 2013, provided by Diane Campbell, Senior Corporate Financial Analyst, Finance and Budget.

Presenter(s): Ms. Campbell.

Pursuant to the IDC Bylaws, Article 5, Section A, Ms. Campbell presented the following slate of proposed Board of Directors and Officers for 2013:

Tom Albro, President  
John Creighton, Vice President  
Bill Bryant, Assistant Secretary  
Courtney Gregoire, Director

The position of Secretary was left open pending appointment of a fifth Director to the Port of Seattle Commission.

**Motion for approval of proposed slate of Directors/Officers – Gregoire**

**Second – Bryant**

**Motion carried:**

**In Favor: Albro, Bryant, Gregoire (3)**

**Absent for the vote: Creighton**

**3. Industrial Development Corporation 2012 Annual Report**

Presentation documents: IDC memorandum dated March 22, 2013, provided by Diane Campbell, Senior Corporate Financial Analyst, Finance and Budget.

Presenter(s): Ms. Campbell.

Ms. Campbell described the background of the Industrial Development Corporation and reported on IDC activities in 2012, including the following relevant information:

- The IDC was established in 1982 pursuant to RCW 39.84 as a special purpose government with limited powers.
- The purpose of establishment was industrial expansion through tax-exempt financing.
- Debt issued through the IDC is the responsibility of the issuing company and is always non-recourse to the Port and the IDC.
- Members of the Port Commission form the IDC Board of Directors.
- The Port may not lend or give credit to the IDC.
- There is no borrowing limit to the debt issued through the IDC.
- The cost advantage to issuing bonds through the IDC was an incentive to accessing financing through the IDC by companies in the 1980s. It is less advantageous to finance in this way under current tax law.
- In 2012, Delta Air Lines refunded bonds originally issued in 2001 to take advantage of lower interest rates.
- IDC assets increased by approximately \$147,000 in 2012 to a little over \$261,000, due primarily to a lump sum fee paid by Delta Air Lines in connection with their 2012 bond refunding.

- Annual income derived from customer fees and investment income was \$168,000 in 2012.
- Expenses for 2012 were approximately \$11,800 primarily for administrative expenses.
- As in 2012, there are currently three companies with outstanding bonds totaling \$82.7 million. The shortest maturity is 2021 for bonds issued by Crowley Maritime Corporation; the longest maturity is 2030 for bonds issued by Northwest Airlines, which later merged with Delta Air Lines.

Ms. Campbell recommended to the Board that the current fund balance of \$261,304 be retained in order to generate sufficient investment income to offset operating expenses. This need will remain as long as there is outstanding debt through the IDC.

Commissioner Albro commented on the potential to leverage the IDC to promote exports and logistics and fostering the health of the maritime industrial sector. Port CEO Tay Yoshitani offered to provide a future briefing on that subject.

#### **4. Adjournment**

There being no further business, the annual meeting of the Board of Directors of the Industrial Development Corporation of the Port of Seattle was adjourned at 1:37 p.m.

Tom Albro  
Secretary

Approved April 1, 2014.