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

March 14, 2017

The annual meeting of the Board of Directors of the Industrial Development Corporation (IDC) of the Port of Seattle, Washington, was held on March 14, 2017, during a recess of the Port Commission regular meeting on the same date, which convened at 1:00 p.m. in Commission Chambers at the Port of Seattle Pier 69 facility, 2711 Alaskan Way, Seattle, Washington. The annual meeting of the Board of Directors of the IDC convened at 1:54 p.m. Directors present included Tom Albro and Fred Felleman. Director Stephanie Bowman participated by telephone. Directors John Creighton and Courtney Gregoire were not present.

1. Approval of Minutes

Minutes of the IDC meeting of March 8, 2016.

Motion for approval of the IDC meeting minutes of March 8, 2016, carried:

In Favor: Albro, Bowman, Felleman (3)

Absent for the vote: Creighton, Gregoire

2. Election of Board of Directors Officers

ACTION REQUESTED: Request Board approval of the IDC Board of Directors and Officers for 2017.

Request documents: IDC agenda memorandum.

Pursuant to the IDC Bylaws, Article 5, Section A, the following is a list of proposed Board of Directors and Officers for 2017:

Tom Albro, President
Courtney Gregoire, Vice President
Stephanie Bowman, Secretary
Fred Felleman, Assistant Secretary
John Creighton, Director

Motion for approval of proposed slate of Directors/Officers carried:

In Favor: Albro, Bowman, Felleman (3)

Absent for the vote: Creighton, Gregoire

3. Industrial Development Corporation 2016 Annual Report

Presentation documents: [IDC agenda memorandum](#).

Presenter(s): Elizabeth Morrison, Director, Corporate Finance, and Scott Bertram, Supervisor, Corporate Financial Analysis.

Ms. Morrison and Mr. Bertram presented the 2016 Annual Report, noting the following relevant information:

- The IDC was established in 1982 under Chapter 39.84 RCW for the purpose of facilitating industrial expansion through tax-exempt financing in King County.
- The Port's IDC is not the lender, but acts as a conduit. Debt issued through the IDC is the sole responsibility of the company issuing the debt and is non-recourse to the Port and the IDC.
- Bond proceeds go directly to the borrowing company and debt service is paid to a trustee.
- The IDC was very active between 1982 and 1986, and has declined since the passage of the Tax Reform Act of 1986. There are currently two projects for which companies maintain outstanding debt. Crowley Marine Services has \$8,700,000 in debt, which matures in 2021, and Delta Air Lines has \$66,025,000 in debt, which matures in 2030.
- As tax rates increase, tax-exempt financing through the IDC becomes more attractive. As they decrease, such financing becomes less attractive.

Commissioners asked about applicability of IDC financing to establishment of educational facilities, such as vocational skills centers, and to workforce housing.

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 2:06 p.m.

Prepared:

Attest:

Paul J. White, Commission Clerk

Ryan Calkins, Commission Secretary