WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees

FROM: President Bruce Shepard by Steve Swan, V.P. for University Relations

DATE: October 9, 2009

SUBJECT: **Approval of the Articles of Incorporation of "Western Crossing Development Corporation"**

PURPOSE: Action Item

Purpose of Submittal:

To officially create the Western Crossing Development Corporation through the approval of the proposed Articles of Incorporation.

Proposed Motion:

> ***MOVED,*** **on recommendation of the President, that the Board of Trustees hereby approve the proposed Articles of Incorporation, establishing the Western Crossing Development Corporation.**

Supporting Information:

See attached minutes from the first meeting of the Board of Directors of the proposed Western Crossing Development Corporation.

Source of Funding:

State appropriated money

Viking Development Meeting
September 11, 2009 8:00 am
Old Main 340

Attendance: Bruce Shepard, President, WWU
Fred Seeger, Interim Exec. Director, Port of Bellingham
Scott Walker, Port Commissioner President
Peggy Zoro, WWU, Board of Trustee Member
Steve Swan, WWU, V.P. for University Relations
Frank Chmelik, Port Attorney
Lisa Wochos, WWU, Asst. Attorney General
Brian Burton, Dean, College of Business & Economics
Arlan Norman, Dean, College of Science and Technology

The meeting was called to order by President Bruce Shepard at 8:00 am. The position of chair shall rotate between the Port and the University with Bruce Shepard presiding at this meeting.

Introductions were made by the members of the Board and the audience.

Steve Swan gave a historical review of the Viking Development Entity. Western is already on the waterfront in the form of the Technology Development Center and Innovation Partnership Zone and that facility will be dedicated on September 28th at 2:00.

The Waterfront Futures Group first convened in 2006 to talk about the development of the entire waterfront in the Bellingham area. That group morphed into the current Waterfront Advisory Group and at the same time WWU has had a Waterfront Planning Group that's been engaged in conversation over the past five to six years. There has been a lot of work behind the scenes by a lot of people leading up to today. We're here today because of the University's goal of establishing buildings and programs on the waterfront. It is good for the long term future of the University to be pursuing this option. It is also good for the City, the Port and the region. Western recognizes and accepts the need for Western to be an anchor in the Waterfront Development. The University first expressed an interest in the expansion of the waterfront in November, 2003. Then President, Karen Morse, first presented the concept and the idea of Western being on the waterfront to the Board of Trustees in March, 2004. She then chaired a committee that has discussed the issue up until the time of her retirement. Western confirmed its desire to be on the waterfront for possible expansion by including the waterfront in its 2006 Strategic Action Plan. There has been a great deal of internal discussion and planning that has taken place since. The consistent thought from the beginning has been that a development entity be created by the Port and Western and that such an entity would be necessary to move this project forward. We're dealing with an economic challenge that has changed the way the world does business and certainly the way the state does business. The need for a development entity to bring the public and private sectors together for this project is more real than ever before. The purpose for the creation of a development entity such as this one, is to continue to help move forward the whole development process of bringing the University to the waterfront. The entity can provide a tool for flexibility, one that can accomplish a number of different things. Having this entity could play a role in helping a developer for Western's presence on the waterfront; for negotiating terms of transactions; for overseeing construction, just to

mention a few possibilities. The Development Entity which until now has always been referred to as Viking Development can potentially do a number of other things. It will facilitate the timely development of new facilities on the waterfront. It could help jump start the development project as a whole. It could provide a financial buffer between a private developer and the university and the port. It could negotiate more favorable cost structure for the development of new facilities that Western could do on its own. It could enable Western to be established as an anchor to help stimulate additional public and private investment in the waterfront. What we are doing today is very significant. This is our first formal meeting to start the process of officially creating a development entity.

Up to this time we have been referring to this entity as the Viking Development and have received a lot of encouragement both on and off campus to come up with another name for that entity. We would like to propose that the name of the entity furthermore be referred to as the "Western Crossing Development" with a subtitle of "Innovative ideas converging with the community, country and world through education." The word "Western" carries a number of different connotations, the name of the University, where we are located in the state of Washington, in the country and in the world. The word "Western" brings a number of very distinct identifiers and strengths to it. The "Crossing" is something that has been vetted through a number of different entities on campus and had discussions about it with various people off campus as well. The idea of "Crossing" being that ideas, innovation, opportunities, people all coming together at a place and crossing paths in one way, shape or form. If what we are trying to do on the waterfront is create a destination point for people from Bellingham, Whatcom County, and beyond, we want people to be crossing paths through Bellingham and through the waterfront. That's how the name 'Western Crossing' was conceived for this development entity.

Bruce Shepard made a motion to formally establish the name of the entity as "Western Crossing." Motion carried unanimously.

Reviewed and Discussed By-Laws – no action taken.

- The organization to be formed will be a corporation - a Washington not-for-profit corporation. A filing will be made with the Internal Revenue Service for designation under a 501(c).
- Articles of incorporation will be created. The corporation will receive a business identification number from the IRS called a Federal Employer Identification number. Those are issued by the Secretary of State. Then the Board of Director's will meet to select the fifth board member and then adopt the by-laws.
- An annual statutory meeting of the Board of Directors is mandatory.
- Roberts Rules of Order govern meetings.
- Upon the Board's direction, the Articles of Incorporation will be filed. The Board will meet again after the fifth director is chosen and the first order of business will be to appoint a chair of the Board, adopt the by-laws and appoint officers of the corporation. The corporation is then fully formed.

Lisa Wochos discussed legal and administrative responsibilities. Western Washington University and the Port will continue to have a cooperative arrangement whereby both the Port and the University will have their separate counsel's who then collaborate.

Discussed the responsibility for administrative affairs. All official documents, records, agreements, proposals, minutes, etc. must be maintained by either the Port or Western.

Discussed the Open Records Act. Meetings can be closed but the records will be open. The State Auditor will want to know which organization, the Port or Western, is keeping the records for auditing purposes.

It was agreed that the records will reside at Western Washington University during this transition basis until the organization is more formalized.

Bruce suggested that the name WesternCrossing.org be registered as the domain name.

It was decided that the official document forming the corporation will be signed by all five Board members.

The Board discussed the criteria and priorities they are looking for in choosing the fifth member of the Board. The responsibilities of the position are in the proposed by-laws.

- The fifth member will not have a direct or indirect connection to the University.
- They will need to fully understand property development in complex situations.
- They should have the respect and integrity of our community and know the culture and politics of the local area.
- They will need to have a really good grasp of the finances and risks involved.
- The person could be from outside the community. Needs a person that is open to understanding what a university is about – its mission and core values.
- Needs to be able to deal with conflict and bring unity to the group.
- Must have an understanding of the community, the university and local politics.
- Needs to have a passion for Western and the project.

Brian Burton, Dean, College of Business & Economics gave an update on the efforts that have taken place concerning program planning on the waterfront.

- Conversations began in the fall of 2008
- Outcome of early conversations some parameters to guide thinking
    - Take advantage of Western's location, strengths, and capabilities
    - Be strategic
    - Involve undergraduate students
    - Partner with external organizations
    - Be self-sustaining
    - Become a destination point in multiple senses
- Current conversations focused on the convergence zone between environmental and economic issues, also including international, science and technology, education and health as contributing elements.
- No decisions have been made – the conversation is ongoing.

Bruce added a strategic overview to points that Brian made concerning the history of the evolution of planning for Western on the waterfront.

Arlan Norman added that they are being very strategic in their thinking of what will go to the waterfront and recognizes that the University's role in the area could change. The discussions are moving in a very positive direction.

Discussion was held concerning the next meeting. It was decided to meet again in early November after the Port Commission's second meeting and after Western's Board of Trustees meeting in early October. Formalizing the corporation, preparing budgets for funding and revising the interlocal agreement will take place before that meeting.

Meeting was adjourned into closed session at 10:00 am.