

PORT OF COLUMBIA
Special Meeting Minutes
August 16, 2018

Commissioner Marvin opened the meeting at 6:00 p.m. Those present were Commissioners Marvin, Crowe and Warren, Executive Director Dickinson, Economic Development Coordinator Witherington and members of the press Michele Smith.

Dickinson reported on her calls and e-mails with Colby Litzenger of Tucannon Development LLC. There were three questions from the appraisal that commissioners wanted answered. Per the electrical value of \$16,688, Tucannon Development provided a receipt from Doyle Electrical for the completed work. Dickinson's visual inspection from the outside of the building seemed to match the work that the appraisal shows.

Per the comps being pulled from higher cost of living areas, the appraisers accommodated that by valuing just the construction itself, not the land that the building was on. This was their method of comparing apples to apples and adjusting the comp accordingly.

Per the entrepreneurial incentive, Colby indicated this was a standard percentage value. However, in recognition that the empty building has caused issues for the Port, he agreed to reduce the asking price by \$6,000 to \$264,000.

Commissioner Warren reported that he isn't happy that Allen Litzenger received a contractors fee in addition to the entrepreneurial incentive for Tucannon Development, LLC, but agreed we can't do anything about that. He asked how much of the building has been completed. Dickinson estimated between 30-35%, which determines the entrepreneurial incentive.

Commissioner Marvin asked to review how we would finance the purchase and construction and the estimates from the architect to complete the building. Dickinson reported that in her initial conversations with Banner Bank, they believe we can get a \$360,000 bond. In addition to the \$50,000 revenue from the purchase of Lot A of the Industrial Park, this leave us with \$146,000 for construction if the building was purchased at the \$264,000 price.

The debt service on the loan would be \$30,000 a year, which we can manage within our current budget without any projected tax revenue from Columbia Pulp.

The construction cost to get the building to rentable would be around \$135,000 based on initial estimates from architect.

Commissioner Warren asked what would happen if we did not exercise our right to buy. While it is unlikely there are many other potential buyers out there, there is an opportunity cost in letting the building continue to sit empty while the Port waits for a buyer. Witherington reported that there have been at least 6 inquiries on the space in the last ten months, and that she is confident that the Port will be able to rent it out.

Dickinson recommended purchasing the building. Commissioner Marvin agreed with her recommendation. Commissioner Crowe indicated that if the Port staff believes the numbers make sense, then he would vote for it.

MOTION: Made by Commissioner Crowe, and seconded by Commissioner Marvin to adopt Resolution No. 2018-03 to purchase the building at 710 Artisan Way for \$264,000. A vote was called, and Commissioner Marvin and Crowe voted aye. Commissioner Warren abstained from the vote, saying he supports all the reasons to buy with the exception of the final price.

Dickinson indicated that she believes the purchase will be worth it, and Commissioner Marvin said he thinks it will be good for the community. Dickinson will begin work on the bond to finalize the purchase.

Meeting was adjourned at 6:30 p.m.

Fred Crowe, Secretary