



## MINUTES OF THE SPECIAL MEETING

Held August 8 & 11, 2014

The August 8, 2014 Special Meeting was called to order at 12:00 p.m. by President Grubenhoff at the Port Administration office located at 2640 E. Edison Ave., Suite #1, Sunnyside, WA. The continuation of the Special Meeting was called to order on August 11, 2014 at 12:06 p.m. by President Grubenhoff at the Port Administration office located at 2640 E. Edison Ave., Suite #1, Sunnyside, WA.

Commissioners and Staff present at the Special Meeting:  
Jim Grubenhoff, Jeff Matson and Arnold Martin, Commissioners;  
Travis Jansen, Maintenance Manager;  
Carol Carter, Finance Officer;  
Vernita Coffey, Administrative Assistant; (August 11, 2014);  
Rob Faber, Legal Counsel; and  
Steve Winfree, Legal Counsel, (August 11, 2014)

List of guests available upon request.

**EXECUTIVE SESSION:** President Grubenhoff announced the Commissioners would convene in an executive session to discuss Real Estate and Legal as allowed by RCW 42.30.110 Subsections C & I respectively. Executive Session was called to order by President Grubenhoff at 12:00 p.m. Session was expected to last 30 minutes. Session was extended an additional 5 minutes at 12:30 p.m. Session was extended an additional 5 minutes at 12:35 p.m. Session was extended an additional 10 minutes at 12:40 p.m. Session was extended an additional 5 minutes at 12:50 p.m. Session closed at 12:55 p.m. an action item expected with a possible motion.

### ACTION ITEM:

- Approve Agreement Regarding Termination of Leases with Jim Cuddy for the Veiga and Durfey Properties Upon Sale of Premises and authorize Travis Jansen to sign on behalf of the Port Commission. Commissioner Matson moved to approve, Commissioner Martin seconded, motion carried.

**EXECUTIVE SESSION:** At the continued Special Meeting held on August 11, 2014, President Grubenhoff announced the Commissioners would convene in an executive session to discuss Real Estate and Legal as allowed by RCW 42.30.110 Subsections C & I respectively and that it was expected to last 30 minutes. Executive Session was called to order by President Grubenhoff at 12:07 p.m. Session was extended an additional 5 minutes at 12:37 p.m. Session was extended an additional 5 minutes at 12:42 p.m. Session was extended an additional 5 minutes at 12:47 p.m. Session was extended an additional 5 minutes at 12:52 p.m. Session was extended an additional 5 minutes at 12:57 p.m. Session was extended an additional 5 minutes at 1:02 p.m. Session was extended an additional 5 minutes at 1:07 p.m. Session was extended an additional 3 minutes at 1:12 p.m. Session closed at 1:15 p.m. and the open public meeting was reconvened with an action item for consideration.

Legal Counsel, Steve Winfree stated that this special meeting was for consideration of offers for real estate the Port has for sale. The Port previously approved Resolution 2014-05 on July 3, 2014 adopting an amendment to the Port's comprehensive plan which declared the properties North of the Airport, West of South Emerald Road and East of South Emerald Road as surplus to the current needs of the Port. The Port then entered into an agreement with DK Bain Real Estate for marketing of said properties. Potential buyers were known to commissioners and staff, and, all calls of interest were forwarded to DK Bain Real Estate, to avoid any appearances of conflicts of interest. Commissioner Matson said he had no contacts, Commissioner Martin had two people contact him and Commissioner Grubenhoff had one person contact him. Legal counsel also referred contacts to DK Bain.

Kenny Nelson and Randy Tucker of DK Bain Real Estate reported on the calls received by those interested in the properties for sale and how they supplied information requested. There was a lot of interest and most potential buyers were familiar with the properties.

**ACTION ITEM:**

- Approve a Real Estate Purchase & Sale Agreement with Sunnyside Dairy, LLC for the Airport Property and West of South Emerald Road & East of South Emerald Road for a total sum of \$5,000,000.00 and authorize Travis Jansen to sign on behalf of the Port Commission. Commissioner Matson moved to approve, Commissioner Martin seconded. The commissioners provided the following discussion:

Commissioner Matson stated that the Port of Sunnyside had received multiple offers with regard to the purchase of the Port's real property referred to as the "Airport Property", the "Property East of South Emerald Road", and the "Property West of South Emerald Road".

The highest offer received for the purchase of all three properties by the same buyer was for a purchase price of \$5,000,000.00 from Sunnyside Dairy, LLC.

The highest offer received for the purchase of all three properties by the three independent buyers has a combined purchase price of approximately, \$5,245,000.00.

Commissioner Matson further stated that he considered the following issues:

1. With regard to accepting the Combined Offer for approximately \$5,245,000.00
  - a. The advantage is a higher combined price of approximately \$245,000.00.
  - b. The disadvantages are:

- i. It becomes possible for one but not all of the sales to close. The Port does not want to end up with certain properties without owning all of the property because of marketing difficulties.
    - ii. The intended use of the property may be different for the multiple buyers leading to a possible withdrawal of the offer within the 30-day contingency period if the property does not fit the buyer's intended purposes.
    - iii. The closing costs will be slightly higher.
  2. With regard to accepting the Single Offer for \$5,000,000.00.
    - a. The advantages are:
      - i. Either all the property will be sold, or the Port will retain ownership of all the property, thus reducing the risk of some property selling and some not, resulting in difficulties in marketing the remaining properties.
      - ii. The Port believes that Sunnyside Dairy, LLC will be growing corn and/or alfalfa on the property, which is the property's current use. Therefore, the possibility of that property being unfit for the buyer's intended purposes becomes less of a problem.
      - iii. The closing costs will be slightly lower.
    - b. The disadvantage is a lower combined price of approximately \$245,000.00.

After these considerations, Commissioner Matson decided that the reduced risks of complications that come with accepting the single offer of \$5,000,000.00 outweigh the higher price of approximately \$245,000.00 from the three combined offers.

Commissioner Martin commented that the decision to accept the single offer was better for the Port in the long run, much easier and the right thing to do.

Commissioner Grubenhoff commented that he felt good and comfortable about the fair attention given this matter. It would free up cash for future projects. He feels 100% confident in their decision and that it reduces the risk of sales falling through and any possible complications.

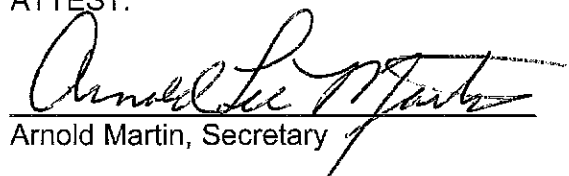
- After the discussion, President Grubenhoff called for a vote on the motion to approve a Real Estate Purchase & Sale Agreement with Sunnyside Dairy, LLC for the Airport Property and West of South Emerald Road & East of South Emerald Road for a total sum of \$5,000,000.00 and authorize Travis Jansen to sign on behalf of the Port. The motion was approved.

Commissioner Grubenhoff extended a Thank You to all submitted offers and that we made the best decision. He also thanked DK Bain, Legal Counsel, Port Commissioners and the Port Staff for all of their efforts regarding this matter. He especially thanked Travis Jansen for picking up the slack while Jay is on vacation.

ADJOURNMENT: The Special Meeting was continued at 12:55 p.m. to Monday, August 11, 2014 at noon. The continuation of the Special Meeting adjourned on August 11, 2014 at 1:41 p.m., peace and harmony prevailing.

  
Jim Grubenhoff, President

ATTEST:

  
Arnold Martin, Secretary

