



Minutes of the Special Board Meeting
Monday, October 5, 2020 – 2:30 pm
303 2nd Avenue, S, Suite A, Okanogan, WA. 98840 (TranGO Office)

Attendees

Cindy Gagne, Mayor, City of Omak
Tim Rieb, Council Member, City of Brewster
Denise Varner, Council Member, City of Okanogan
Carlene Anders, Mayor, City of Pateros
Aaron Studen, Council Member, Town of Twisp
Jon Neal, Mayor, City of Oroville
Marylou Kriner, Mayor, City of Tonasket
Sally Ranzau, Mayor, Town of Winthrop

Guest

Jennifer Fitzthum, CEO, OCTN

Staff

Kelly Scalf, General Manager
Jackie Gleason, Clerk of the Board
Brent Timm, Operations Manager
TranGO Attorney Scott DeTro

Call to Order and Introductions

Chairman Gagne called the meeting to order at 2:40 pm.

Vice-Chairperson Anders asked if the Board could discuss the purchase of the building prior to discussing the lease extension. Attorney DeTro stated that any discussion of a purchase should be done in Executive Session.

Action: Resolution #2020-20 – A Resolution of the Okanogan County Transit Authority Authorizing the Vice-Chairperson of the Board of Directors of the Okanogan County Transit Authority to Provide Written Notification of Renewal to Marquis Holdings, LLC, Landlord under the Real Estate Lease Dated January 1, 2016

Attorney DeTro explained there is a section in the current lease, “Renewal Terms” that requires a 90-day written notification by OCTA if we wish to renew the current lease for an additional two



to five years. Unfortunately, the 90-day cut off was 10-01-20, General Manager Scalf asked the landlord for a few additional days to report back to him.

Vice-Chairperson Anders thinks that OCTA should purchase the building then sell it when relocation is an option. Anders stated for the record that she was unhappy to be discussing such an important issue at the last minute. General Manager Scalf stated that she had contacted the property owner in July, in order to meet the deadline for negotiating any extension. General Manager Scalf indicated that the current lease contains a provision to extend the lease for 2-5 years by simply exercising that option and indicating the time of extension desired. It is a one-time provision, and continues the current terms, which she felt were more favorable than starting over. She indicated that she had not clearly understood the “option” and had started the negotiations early (prior to 90 days) considering current conditions. Attorney DeTro had responded to the lease extension amendment, and had also not mentioned the “option”. She stated that the current lease had been in effect for 5 years without any discussion of purchase, and that her contacts regarding lease extension had been reported in July and was listed as a topic on the agenda in August, which provided time for the Board to discuss purchase.

General Manager Scalf discussed that the building is over 40 years old. During discussions in 2018, the Owner offered a 15-year lease to include the entire building, or a purchase price of \$875,000. Under the lease the landlord is responsible for the structure of the building, the heating and cooling (HVAC) equipment and the roof. Scalf stated her concern of purchasing such an old building and such a large capital outlay with possible budgetary complications due to COVID and the uncertainty of I-976 threats to OCTN services; there are just too many uncertainties at this time.

Attorney DeTro shared that a purchase would take time, and require long-term planning, public input and study.

Both Board Members Studen and Varner are in favor of renewing for an additional 5-year term.

Motion:

Board Member Varner moved to approve Resolution #2020-20 as presented. The motion was seconded by Board Member Neal and passed unanimously.

Attorney DeTro stated that he has a concern about the way that the CPI was calculated in the landlord’s proposal. He has reviewed that and will review it with the him.



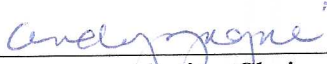
Discussion: Purchase of the Marquis Holdings, LLC Building – Located at 303 2nd Avenue S, Okanogan WA

No additional discussion related to the purchase of the building.


Adjourn

There being no further business to come before the Board, Chairman Gagne adjourned meeting at 3:17 pm

APPROVED:



Chairperson or Acting Chair



Kelly Scaif, General Manager

ATTEST:



Jackie Gleason, Clerk of the Board