

Nehalem Bay Health District
Executive Session
December 29, 2021 6:58 pm

The executive session of the Board was called to order by Marc Johnson at 7:00 PM.

Marc stated that the Purchase and Sales Agreement permits the Food Bank to unilaterally impose up to three successive 30-day extensions. The Health District can decide now or up to 30 days later whether to proceed with closing on the sale. Tom stated there would be only one 30-day extension, and it is for the sole purpose of preparing for closing.

Anupam is not clear about the Tillamook County Department of Community Development partition approval. If that is not received the sale cannot be closed.

Board members expressed concern about Tom's comments as to the safety of the Food Bank's current location. Comments were made that the general condition of the space occupied by the Food Bank is the same as when they initially took possession about 5 years ago. Jeff explained that the alleged "sewer leak" was actually shower water from a unit above that leaked due to a faulty shower pan. It was not sewer water. It has been repaired and will not happen again. The leak into the Food Bank office was a freshwater leak that occurred in a shower head and it has been repaired. The floors in the hallways are uneven and have been that way for the entire time that the Food Bank has occupied the space. The building has been inspected and is not in a condition that it will fall down into the Food Bank. The Health District has accommodated the Food Bank and have responded to all issues presented.

Marc noted that the Board prior to the current membership was going to evict the Food Bank years ago. This Board has no intention of an eviction and wishes to work with the Food Bank to come to an amiable conclusion that is best for all entities concerned. The Health District has met every offer from the Food Bank – sale instead of lease, rock bottom price for the sale.

Jacki noted that the 30-day extension is insufficient time for the Health District to gather the additional information needed to make a full, informed decision. She suggested that it may be most fair to the Food Bank if we make a decision as to whether to close on the sale sooner rather than later since Tom represented that the Food Bank would not engage in renegotiation.

Debbie said that we know enough now about us and the Food Bank and it would be disingenuous of us to wait the 30 days to make a decision. The Food Bank evidently is not ready to close and needs the additional 30 days. It may be possible to get them to extend for another

30 to 60 days. Our mandate was to look at housing opportunities along with the existing organizations. Now we have additional land that creates additional opportunities. We are not telling the Food Bank that they can't do the building project, but that we have a broader mandate to the community and need time to fully assess the entire site plan.

Lynda suggested that we reach out to individuals on the Food Bank Board and other interested parties in the community to nurture relationships toward repair that will have to be done. She asked if our attorney could advise us as to costs that the Health District would be responsible for in a default situation. It is believed that the Food Bank would be required to submit actual costs and expenses by receipts. In-Kind donations to their project would not be reimbursable by the Health District. If the Health District decides not to proceed with closing and provides notice of its decision to the Food Bank, the Health District would not be obligated to reimburse Food Bank costs and expenses incurred after the notice.

Jeff has asked for a copy of the partition approval document from the County. It was noted that the City of Wheeler would have to supply a similar document. It was suggested by Jacki that we ask Jeff to follow up with Tom regarding the Tillamook County Department of Community Development approval.

Section 12.1 of the Purchase and Sales Agreement provides that partition approval is a condition precedent to the Health District's obligation to close. It was suggested that Jeff possibly could find out from the title company if the document is in place. He hasn't had good luck in reaching the personnel at the title company. Jacki noted that the Food Bank has the unilateral right to extend closing for a full 90 days to secure partition approval if it hasn't received it previously.

It is suggested that the Health District should find out if the partition approval document has been received by the Food Bank.

It was confirmed that circumstances at the entry into the contract to sell the property to the Food Bank have changed dramatically. With additional property (the lower Hwy 101 lot) the upper lot can be configured differently than originally conceived. There are broader responsibilities than just the location of the Food Bank at this juncture, however that does not mean that the Food Bank can't be a part of the complex.

Marc will create a timeline of changes since January 2020 to help clarify the entire situation.

It was decided that Jeff should pursue the question of receipt of the Tillamook County Department of Community Development partition approval document with Tom.

There was a motion by Anupam with second by Debbie to move out of Executive Session under ORS 192.660.(2) (e). The motion passed unanimously. The Executive Session was adjourned at 7:55 pm.

The meeting moved back into Special Session at 7:55 pm as reflected at the end of the minutes of the Special Session of the Board dated 12/30/2021.

Respectfully submitted,

Jennie Meyers, Recording Clerk.