

County sells Oakhurst for \$900K

MARK REED WILL PAY OFF LAND IN THREE INSTALLMENTS

BY STEVEN FRIEDERICH
The Daily World

MONTESANO — The Mark Reed Hospital District will pay Grays Harbor County \$900,000 spread over three payments in the next four years for the old 22.33-acre Oakhurst Sanito-

rium site where it plans to build a new hospital.

Mark Reed CEO Renée Dunham offered the price during a morning meeting with the county commissioners on Monday. The commissioners unanimously approved the price Monday afternoon, setting up

the stage for a purchase and sale agreement between the county and Mark Reed.

The agreed-upon price is \$100,000 less than what commissioners had asked for in February.

The county Assessor's Office has valued a number of existing buildings on the property and the land at \$2,238,700. The land value is set at \$1,339,800 and the buildings at \$898,900.

"I know that's a little bit

short of the original request of \$1 million, but we were hoping in lieu of having payments spread out over 20 or 30 years ... you would accept a discount of that price to offset the time value," Dunham said.

The hospital originally proposed structured payments over the next 20 to 30 years, but the county wanted more cash up front.

The first payment of \$250,000 to the county will be

done after the sale is closed and details of the financing plan come together, Dunham said. That's expected to happen between October and December of this year, she said.

A second payment of \$300,000 is planned by Oct. 31, 2012, around the time construction is expected to be done, Dunham said. The last payment of \$350,000 will be on Oct. 31, 2014.

"I think it's great because

I had a problem with it being out 30 years, especially being (in the) cash stressed situation we find ourselves in," Commissioner Mike Wilson told Dunham. "I think it works great for us and it'll work great for you, too."

Dunham told the county commissioners that the hospital district is working with the U.S. Department of Agriculture's rural devel-

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opment program to finance "north of \$20 million" for the hospital on the Oakhurst property, located at 420 E. Young St. in Elma.

Besides the land, the hospital district would also own the existing buildings on the property, which are currently leased.

The site is home to the Elma Co-op Preschool, which pays the county \$200 per month on a lease that runs until May 31, 2011. There's also a 50-year lease

originally signed back in September of 1997 with the Oakview Association, which includes HUD housing units, Willis said.

Dunham said the hospital may have uses for the buildings once the leases expire, but would need to have them examined.

County Commissioner Terry Willis said she notified a manager at the Elma Co-op recently to talk about the pending sale. The Co-op is currently looking for a new home.

"We don't feel any rush to get out of our building," said Elma Co-op Preschool Director Julie Jackson.

"Our preschool was already looking for new space. We felt the building was crumbling and didn't fit our best interest anymore. It actually is not too much of a bummer for us. Now we have until this day to find a new space."

The other long-term lease is for buildings constructed using U.S. Department of Housing & Urban Development money. Per the federal grant stipulations with the buildings, a 50-year lease was needed to get the grants. The occupants of the buildings include the Oakview Association, which is HUD housing, as well as the Elma

Head Start program.

"We plan to honor all of the current leases on hand with the county," Dunham said.

At Monday's afternoon commission meeting, Treasurer Ron Strabbing asked the commissioners if they plan on charging the hospital district some kind of interest rate on the unpaid balance.

Commissioner Willis said that the county is not proposing an interest rate.

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