



NEWS RELEASE

September 7, 2007 – FOR IMMEDIATE RELEASE

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Subject: Peshastin Mill Site

Port of Chelan County Commissioners Hear Proposal for Peshastin Mill Site

At their regularly scheduled September 5 meeting, Port Commissioners Mike Mackey, JC Baldwin and Craig Larsen received a presentation of a \$3.3 million proposal they recently received from a developer interested in purchasing the old Peshastin Mill site.

Jon Eberle introduced the initiator of the proposal, Chuck Reppas, and reiterated that the Port has not been actively marketing the property, which was declared as surplus on December 13, 2006. "The declaration does not necessarily commit the Port to sell the property, but it does allow the Commissioners to entertain proposals from private and public developers and to sell the property if they feel a sale is consistent with the Port's long-term objectives," Eberle explained.

Reppas is a Seattle-based land developer who owns of a home in Leavenworth. His proposal is to develop the property into a business office campus with on-site apartments, retaining a minimum 200-yard deep buffer along the Wenatchee River that would be accessible to the public. Reppas explained the rationale for his proposal: "We've seen a real trend over the past five years of people trickling out of major metropolitan areas and into rural areas. We strongly feel that businesses will migrate as well, looking for office space in smaller communities where amenities and opportunities allow them to attract top quality talent to their firms. On-site apartments will allow companies to assign staff to the facility for a period of time, or provide temporary housing while employees secure permanent housing in the area." He feels that software development companies might be a good target market for the campus. In response to a question from the Commission, Reppas stated that this would not be a gated community.

Repass anticipates that it will take a minimum of ten and up to twenty years to fully develop the property. His vision is for approximately 600,000 sq ft of office space and 300 apartments. Reppas indicated that if his development plans were realized, 80% of the total building space would be for business use, with the remaining 20% reserved for apartments. Several issues will need to be resolved prior to development moving forward including zoning, points of access and egress, utilities and financial viability. If the Port Commissioners decide to accept his proposal, Repass will have 120 days to complete a feasibility study prior to committing to the purchase.

The Commissioners thanked Repass for his presentation and expressed their need for more time to consider the proposal. No action was taken at the meeting. Any decision to accept this or any other offer to purchase the property will be made in an open public Commission meeting.