CENTRAL OREGON
community college

2600 NW College Way
Bend, OR 97703
P. 541.383.7700
cocc.edu

COCC Board Real Estate Committee Meeting Agenda

COCC Board of Directors: Joe Krenowicz (chair), Jim Porter, Alan Unger (alternate for Laura Craska Cooper)

Monday, August 26, 2026
9:00 – 10:00 a.m. via Zoom

	EXHIBIT	ACTION
1. Call to Order – Joe Krenowicz		
2. Approval of Meeting Minutes – Joe Krenowicz		
a. July 20, 2026	2.1-5	X
3. William Smith Properties Update – Peter McCaffrey, Cammy Fox and Courtney Hofstetter		
4. Adjourn to Executive Session: ORS 192.660(2)(e) Real Property Transactions – Joe Krenowicz		
5. Adjourn to Open Session – Joe Krenowicz		
6. Dates – Joe Krenowicz		
a. Fall quarter meeting to be determined		
7. Adjourn – Joe Krenowicz		

Central Oregon Community College
Board Real Estate Committee Meeting
MINUTES
Wednesday, July 20, 2026
3:00 - 5:00 p.m.
Remotely via Zoom

MEETING ATTENDEES:
COCC Board of Directors: Joe Krenowicz (Chair), Laura Craska Cooper, Jim Porter, Alan Unger (alternate for Craska Cooper)
COCC Staff: Greg Pereira (President), Michael LaLonde (Vice President of Finance and Operations), Zak Boone (Vice President of College Advancement/Executive Director of the COCC Foundation), Josh Clawson (Director of Campus Services), Kyle Matthews (Executive Assistant to the President and the Vice President of Finance and Operations)
Bryant, Lovlien & Jarvis: Paul Taylor (COCC's Legal Counsel)
William Smith Properties, Inc. (WSPI): Peter McCaffrey (Vice President of Leasing and Development), Cammy Fox (Vice President of Finance), Courtney Hofstetter (Project Manager/Interior Designer)

CALL TO ORDER: Porter called the meeting to order at 3:06 p.m.

APPROVAL OF MEETING MINUTES:

- April 27, 2026 quarterly meeting
  - Motion to approve the minutes.
    - 1st: Alan Unger
    - 2nd: Jim Porter
    - In favor: Alan Unger, Jim Porter
    - Opposed or abstained: none (Joe Krenowicz was absent during the vote)

WILLIAM SMITH PROPERTIES, INC. (WSPI)
Neighborly Ventures
McCaffrey reported that The Veridian complex remains at 80% occupancy and suggested that they are on track for stabilization in August 2026. Lease rates have been lower and concessions have been higher than expected.

The three-acre Ponderosa site is zoned by the city as "RH," meaning it is the highest density residential classification and has unit minimums that will need to be achieved in order for construction to take place. The property cannot be subdivided into single-family or townhome lots as it needs a minimum of 69 units to be approved by the city. The public rights of way for the site do not have on- or off-street parking available, so the property would also need to have enough parking spaces to adequately serve the potential residents of the property. Developers typically want 150 units in order to cover some of the fixed costs of operation, but 69 units could work as a second phase to The Veridian. The investor for Ponderosa, Mountain West Investment Corp., has walked away from the project due to the soft real estate market and the challenges that this project has faced. Neighborly Ventures still has time to find a replacement investor until February 2027 when their due diligence expires. They are managing the property, leasing, maintenance and other operational components of the project.

McCaffrey shared the options for Ponderosa that he presented in the previous quarterly meeting and suggested that the best option would be to modify the ground lease amount. He explained that this option could make the property viable for the developer long-term. Neighborly Ventures has found another investor, but they are not experienced in real estate investments. Their conditions are that the ground lease be revised so that the rate is adjusted monthly based on 4.0% of the gross rents collected, and that WSPI and/or COCC participate in an equity contribution of about $2 million. The lead investor would also guarantee the debt for the whole project. WSPI would prefer to not invest in the project without COCC's approval.

LaLonde asked if the above proposal could fall through if COCC/WSPI cannot contribute $2 million to the project. McCaffrey suggested the proposal could still be negotiated, but was unsure whether it would be possible.

WSPI estimated that a continued ground lease with Neighborly Ventures would be about $72,000. This would be the fastest path to creating income for the College if the current ground lease expires, and the fixed percentage on gross rents would better capture an increase in land value over time. WSPI does not think that another investor would be interested in the property within the next five years. However, McCaffrey suggested that there will be an initial decrease in the ground lease's rent ($49,200 in the first year, then $72,000 if rents increase, instead of $111,000 as expected), and the success of the project would depend on the quality of the operations team on site.

Unger asked what the projected income for the ground lease would be used for. LaLonde explained that it had not been included in COCC's budget projections as it was unclear what the final amount would be, but it would be attributed to the College's general fund.

Pereira asked what the estimated value of the property would be if sold. McCaffrey said it was estimated to be worth about $1.4 million. LaLonde noted that, if the property is sold at that amount and the funds were put into a local government investment pool (LGIP), COCC could receive $56,000 annually.

Unger asked if WSPI thinks that Neighborly Ventures would remain a good partner on this project moving forward. McCaffrey confirmed this. He added that, if another investor would prefer less on-site parking, that could lead to an increased need for street parking and complaints from the neighbors.

McCaffrey suggested that, if the current ground lease with Neighborly Ventures is allowed to expire, and COCC and WSPI choose to wait to find an alternative, it could take five years to generate income from a new ground lease of $111,000/year (the original rate with Neighborly Ventures). Another option could be modifying the current ground lease to commence in 2028 after construction in 2027. WSPI projected an initial lease rate of $72,000 that will grow by 3% each year with an 8% discounted rate. This could result in a greater income stream in 15 years and an equivalent income stream in 50 years.

Pereira asked what the breakdown of revenue would be for COCC and WSPI over the projected 15- and 50-year periods. Fox explained that COCC would receive the first 8% off of the base value from a 2010 appraisal. After which the value splits 50/50 after WSPI receives a 5% management fee and reimbursements for certain costs.

Pereira asked if it would be more lucrative for the College to sell the property for $1.4 million than continue to lease it and gain interest over a 20-year period. McCaffrey offered to follow-up with an analysis on this matter. Porter and Pereira concurred.

McCaffrey explained that, if Neighborly Ventures were to continue their lease after February 2027, they will need to have pulled their permits by that time, which would require them to have submitted their construction documents by late August or early September 2026, so this Committee will need to decide whether they would like to recommend that the Board continue this lease or not. The Committee agreed to schedule a follow-up meeting in the coming weeks to discuss this further.

The Campus Village

McCaffrey said that WSPI has negotiating with a recreation user for a three-acre site north of Jungers Culinary Center and suggested that they are close to finalizing a ground lease for the Board to review. LaLonde noted that the Board's next regular meeting would be on September 9, 2026. McCaffrey offered to work with the recreation user in order to have a ground lease ready to present to the Board in September.

LaLonde asked if there are any updates regarding a financial institution that is interested in building a retail bank on this property. McCaffrey said they are interested in a one-acre site along Shevlin Park Road. WSPI shared some documents with them to review. McCaffrey did not include it in this meeting's agenda as he did not have enough information to share, but suggested it could be a good fit for the Campus Village.

Outcrop Phase Two

McCaffrey announced that the construction agreements for all 35 lots have been signed by two building companies. Stone Bridge Homes NW will be building on 18 lots and Winsome Construction will be building on the remaining 17 lots. Each lot will be purchased by cash closings or on promissory notes for an upside return for the College. McCaffrey estimated that all of these closings would be finalized within the next two years, primarily through cash. Tours of recently built homes in the Outcrop division are available for interested buyers. Construction is expected to begin within the next two months.

Krenowicz asked why a builder might pay cash for a lot instead of using a promissory note. McCaffrey explained that a promissory note would include an extra amount that the building would have to pay when the home is sold. Both builders have opted to pay cash for this reason.

Unger was dismissed from the remainder of the meeting.

MADRAS CAMPUS EXPANSION

Laura Craska Cooper joined the meeting at this time. LaLonde explained that this would likely be the final update on the project as construction and financial transfers are complete. Boone added that his presentation at the Board meeting on July 8 was his final update on donations for the project.

Anderson-May reported that the final cost for the project is $22.7 million with an estimated total funding of $18.2 million, including $8.625 million from the College, $7.8 million in grants and $1.9 million in donations. There is a gap of $4.6 million between the project's final cost and what has already been contributed to the project. When COCC contributes the final $4.6 million, the total funding from the College will be $13.2 million, which is $2 million less than the $15.2 million approved by the Board. The COCC Foundation is awaiting funds from a $100,000 pledge.

PROPERTY ON MT. WASHINGTON DRIVE

LaLonde reminded the Committee that Bend homeowner Matt Seidel was interested in working with his neighbors to purchase a strip of land that COCC owns on Mt. Washington Drive and is adjacent to Seidel's and his neighbors' properties. LaLonde spoke with him before this meeting and suggested he plan on attending the next quarter's meeting. Only one of Seidel's neighbors is not interested in purchasing the property, so Seidel will work with his other neighbors. His current proposal is to purchase the full property on his own and sell portions to his neighbors. According to COCC's purchasing standards, if the Board is interested in receiving an offer for the property, the College would need to send out a public notice about selling the property. Anderson-May was unsure whether the College would need to send an invitation for bids.

Craska Cooper suggested selling the property to one person could be a good idea as it would remove the need for the College to do a lot line adjustment. She asked if the Board would receive an appraisal for the property. LaLonde said that he suggested Seidel request an appraisal. Craska Cooper concurred and suggested that an appraisal for the property might cost more than the property is worth.

Porter asked LaLonde if he was proposing a course of action. LaLonde said he would need to discuss the matter further with Seidel.

Krenowicz suggested that any amount of sale would benefit COCC and concurred that it would be best to let someone other than the College deal with an appraisal and lot line adjustment. Porter concurred.

LaLonde reminded the Committee that, in previous discussions on this matter, it was suggested that COCC could consider keeping this property in case the City of Bend wants to install gas or water pipes. He and Craska Cooper offered to ask some of their local real estate contacts for further insight on the property.

NEXT MEETING: Monday, August 10 at 3:30 p.m. via Zoom
This will be a one-hour meeting to follow-up with WSPI regarding the Ponderosa Project.

ADJOURN: Porter declared the meeting adjourned at 4:13 p.m.