

ORDINANCE NO. 188878

Authorize the Portland Water Bureau to purchase property at 40730 SE Latigo Lane, Sandy, Oregon for \$425,000 to protect easements for conduits from the Bull Run water supply and authorize portion of the property for disposition (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland's Water Bureau requires ownership of a parcel of land, owned by the Standard Family Trust ("Sellers"), to protect the City's interest of delivering water to the citizens of Portland. The parcel contains a home, which encroaches, in part, on the City's water supply conduit lines. The presence of the home on the City's conduit lines presents a danger to the conduit routes.
2. The property's ID is C391345 and the State ID # is 15E31C01700. The legal description is attached in Exhibit A (the "subject property"). The subject property is located in Clackamas County.
3. The acquisition was recommended by the Administrator of the Portland Water Bureau.
4. The fair market value of the property, supported by a broker's opinion, is \$450,000. The Sellers agreed to reduce the purchase price to \$425,000 to compensate the Portland Water Bureau for costs associated with Phase I Environmental studies and other costs associated with protecting the conduit route. The acquisition expenditure shall be disbursed by check, with funds provided in escrow.
5. Once purchased, the Portland Water Bureau will arrange, through the City's procurement process, the removal of the problematic structures, and will then bring the property to the market for disposition, retaining an expanded easement to protect its conduit lines.
6. For the purposes of efficiency and expediency, it is in the City's best interests to authorize both the acquisition and disposition of the subject parcel in a single action. That authorization will require a waiver of City Policy ADM-13.02, because Council will authorize the disposition of the property prior to the disposition process commencing.
7. City Policy ADM-13.02 sets forth the City's procedures for the identification, notification and disposition of City-owned excess and surplus real property. City properties acquired by the City as part of a larger acquisition with the intention that portions not required to meet business needs would be disposed of fall into the classification of "Category 1" properties. The disposition process for Category 1 properties generally includes the identification of the property as excess to the

bureau's needs, internal notification to the City Real Property Coordinator that the property has been deemed excess and, finally, Council's declaration that the property is surplus and authorized for disposition.

8. The subject property is a Category 1 property because the Portland Water Bureau is purchasing it with the intention of removing the structures, retaining an expanded easement for its conduit lines, and then disposing of the parcel.
9. The Portland Water Bureau has no business interest in retaining title to the subject property after it removes the encroaching structure to protect its conduit lines, and will therefore identify the subject property as excess when the demolition is complete. The Portland Water Bureau has notified the City Real Property Coordinator that the property will be deemed excess so that interested City bureaus can consider acquiring the property, although given the location of the property in Clackamas County and in a rural residential location, it is unlikely.

NOW, THEREFORE, the Council directs:

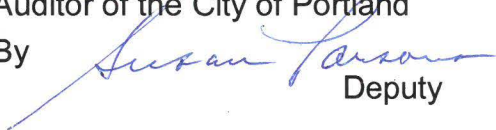
- a. That the Portland Water Bureau Administrator is hereby authorized to execute on behalf of the City a final Purchase and Sale Agreement to purchase the "subject property" for \$425,000, in a form substantially in accordance with the attached Exhibit B; execute all closing documents; and take all other actions necessary to close the transaction in accordance with Exhibit A and any amendments thereto. All documents will be approved as to form by the City Attorney prior to execution.
- b. That, in going forward and due to the Portland Water Bureau's need to keep the conduit safe and free from any future structures or interferences, any future sale of the subject property will include legal restrictions to keep the conduit lines protected before the property's final disposition.
- c. That, given the unique circumstances of this real property transaction and for the sake of efficiency, the procedural requirements of City Policy ADM 13.02 are waived in that City Council hereby authorizes the Portland Water Bureau to dispose of the subject parcel at fair market value.
- d. That the Portland Water Bureau must comply with the identification and notification provisions set forth in City Policy ADM 13.02 III prior to disposition of the subject property.

Passed by the Council, MAR 28 2018

Commissioner Nick Fish
Prepared by: Thomas S. Klutz, Jr.
March 1, 2018

Mary Hull Caballero
Auditor of the City of Portland

By


Deputy

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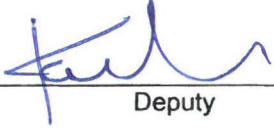
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Agenda No.
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for \$425,000

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INTRODUCED BY Commissioner/Auditor: Fish	CLERK USE: DATE FILED <u>MAR 13 2018</u>
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler Position 1/Utilities - Fritz Position 2/Works - Fish <i>2nd for Nick Fish</i> Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By:  Deputy
BUREAU APPROVAL Bureau: Water Bureau Head: Michael Stuhr, P.E. <i>[Signature]</i>	ACTION TAKEN: MAR 21 2018 PASSED TO SECOND READING MAR 28 2018 9:30 A.M.
Prepared by: Thomas S. Klutz, Jr. Date Prepared: March 6, 2018	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i>	
Council Meeting Date March 21, 2018	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)		YEAS	NAYS
CONSENT <input type="checkbox"/> REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 10 minutes (for presentation, testimony and discussion)	1. Fritz 2. Fish 3. Saltzman 4. Eudaly Wheeler	1. Fritz 2. Fish 3. Saltzman 4. Eudaly Wheeler	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>