

TO: File

FR: David Peters, Engineering Manager and
Ben Gossett, Right of Way Manager

RE: Memorandum of Acquisition Summary Related to 35319 SE Carpenter Lane, Gresham OR, 97080

DATE: October 3, 2019

Overview

The Water Bureau owns 95 acres of land that will be used for the construction of the water filtration facility. This property will be adequate for the construction of the filtration facility. However, there will be additional property needs related to pipeline alignments, property access, or temporary construction work areas for the pipelines. Design has not begun, and pipeline alignments have not been selected but as properties become available in the open market they are being evaluated to see if there is beneficial use for the project. Purchasing strategic properties available on the open market may create opportunities for community benefits and limit the need for the City to use its eminent domain authority.

This memo relates to 35319 SE Carpenter Lane, Gresham OR, 97080 (Subject Property), which the Water Bureau proposes purchasing for the sum of \$800,000 plus closing costs. Purchasing the Subject Property under the proposed terms represents a strategic opportunity for the City because it was listed for sale on the open market.

Importantly, the property has frontage along SE Dodge Park Boulevard where it is anticipated that project pipelines will be installed within the right of way (see Exhibit A).

The Water Bureau may use the Property for several purposes beneficial to it and the neighborhood, based on the outcomes of the future design effort.

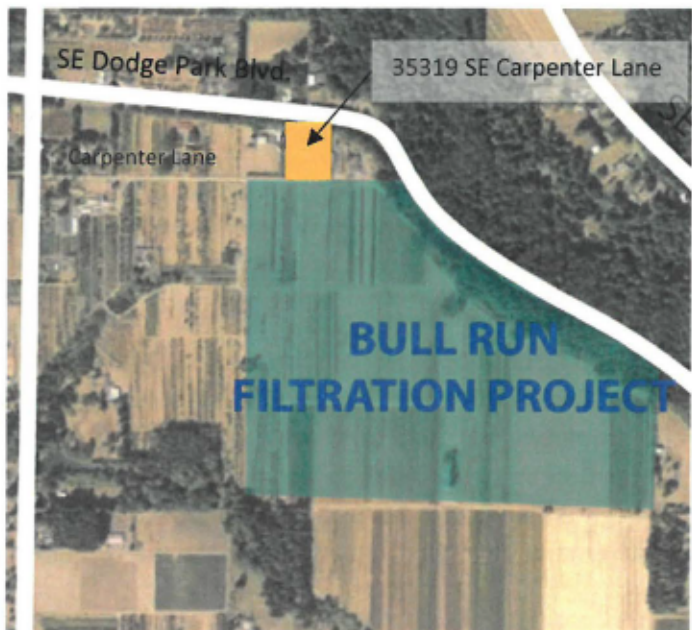


EXHIBIT A: Property Location

- The direct connection between Water Bureau existing property and SE Dodge Park Blvd. provides an avenue for the treated water pipeline to connect to a conduit in the ROW (See alignment of pipeline alternatives being considered for the Bull Run Filtration Facility (BRFF) (Exhibit B)).
- The direct connection to SE Dodge Park Blvd. also allows for a driveway access to the water treatment plant, eliminating the need to use Carpenter Lane as the main access to the facility.
- During construction of the water treatment plant, the land can provide additional room for staging, parking, and material storage.

- Water Bureau ownership of the property eliminates the likelihood of significant inconvenience to other potential buyers.

Purchasing the Subject Property under the proposed terms has the advantage of reducing the City's acquisition costs, which would be higher if it were necessary to acquire the property pursuant to the City's eminent domain authority. As well, securing the property now will enable the Water Bureau to begin incorporating it into long range planning with a greater degree of certainty about its costs and availability for project purposes. If unused, the property could be resold upon completion of construction.

Background

The Subject Property was listed for sale through Jones Group Realtors, LLC for \$800,000. It is located across SE Carpenter Lane from Water Bureau property where the BRFF is being planned (See attached map marked, "Exhibit B"). Water Bureau staff inspected the Subject Property and through negotiation a contingent contract was accepted on June 20, 2019. The contract stipulates that the City will pay \$800,000 plus closing costs for the property and close within a six-month term that ends on December 20, 2019. The contract is contingent upon passage of an ordinance by City Council to authorize the Water Bureau's expenditure of the funds and acceptance of deeds. The Water Bureau secured the property with a non-refundable cash deposit of \$30,000. The owners have vacated the property, and both parties desire to close the transaction as quickly as possible.

Next Steps

An ordinance to authorize the Water Bureau to close on the property is scheduled on the Council agenda for October 23, 2019. It will be held for a second reading on October 30, 2019, and if approved, it would be in effect after a thirty-day waiting period that would end on December 2nd, 2019.

Finally, if Council does not authorize the Water Bureau to purchase the property at this time, then the Water Bureau will forfeit its deposit, and presumably the seller would again list the property for sale. If the property is sold to a third party and the Water Bureau decides it is needed for the project, then the Water Bureau would need to acquire it pursuant to the City's eminent domain authority. Acquisition through eminent domain is more costly because it involves more staff time, there are more stringent requirements regarding valuation, and statutes requires payment of relocation benefits.

Finished Water Pipelines possible alternatives

Legend

-  Arterial Roads
-  Local Roads
-  PWB Property
-  Steep Slopes

FINISHED WATER

-  FW Alt 1
-  FW Alt 2
-  FW Alt 3
-  FW Alt 4
-  FW Alt 5
-  FW Alt 5 Study Area Limits
-  Trenchless

