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191583

Ordinance

Declare as surplus City-owned property at 3737 N Emerson St and adjacent recreational lot and authorize a public sale of the property

Passed

The City of Portland ordains:

Section 1. The Council finds:

- 1. The Bureau of Environmental Services (BES) manages 10 acres at the west intersection of N. Emerson St. and N. Basin Ave. This land includes a 7.2-acre industrial site and a 2.8-acre river recreation lot (which includes the Swan Island Boat Ramp).
- 2. BES received the boat ramp portion of this property without any initial monetary consideration. Instead, BES took over contractual requirements with the Oregon State Marine Board and Oregon Fish and Wildlife to continue operating the boat ramp through June 30, 2010.
- 3. BES acquired this land as one lot in 1996, with the intention of building a wet weather facility for the Combined Sewer Overflow (CSO) project. In 2001, it was determined that the location did not fit the needs for the CSO project and the site was declared surplus via Ordinance 177333 in 2003. The surplus process was delayed as BES split this site into the three current lots to accommodate the contractual requirement to maintain the Swan Island Boat Ramp open for public use.
- 4. In 2016, BES again initiated the disposition process to request this property be surplused. At that time, Portland Parks and Recreation (PP&R) requested a transfer of a portion of the property for wood chipper operations. Funding for the re-assignment of property between bureaus was never actualized. Instead, PP&R used the property for operational needs under the terms of an inter-agency agreement (IAA). The IAA was vacated in December of 2022 when operational control of the entire site returned to BES.

Introduced by Commissioner Mingus Mapps

Bureau

Environmental Services

Contact

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Requested Agenda Type Regular

Date and Time Information

Requested Council Date January 10, 2024

- 5. BES has offered this property to other City Bureaus, but no interest in current or future use for this property was expressed.
- 6. In accordance with ADM-13.02, on July 9th, 2023, BES completed the public comment period that began on May 10, 2023. A summary of the public comments received can be found in the Impact Statement. Emails from the public are attached as Exhibit A.
- 7. It is in the interest of the public to maintain public access to the recreational lot and boat ramp.

NOW, THEREFORE, the Council directs:

- A. The following described properties are hereby declared surplus:
 - 1. PARTITION PLAT 2006-193, LOT 1
 - 2. PARTITION PLAT 2006-193, LOT 2
- B. The Director of the Bureau of Environmental Services is hereby instructed to dispose of the above-described property through sale of the property for the best price, terms, and conditions available and is hereby authorized to execute on behalf of the City any and all documents approved by the City Attorney required for the conveyance of the title to the property.
- C. The Director of the Bureau of Environmental Services is authorized to dispose of the recreational lot (Lot 2) at no cost, provided the property is conveyed with deed restrictions guaranteeing continued public access and fees for use (if any) consistent with the fees for boat ramps operated by Portland Parks & Recreation.

Documents and Exhibits

Exhibit A (https://www.portland.gov/sites/default/files/council-6.73 MBdocuments/2023/exhibit-a-public-comments.pdf)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council January 10, 2024

Auditor of the City of Portland Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The City of Portland, through its Bureau of Environmental Services, owns the property located on Swan Island at 3737 N Emerson St. This site was acquired as a single lot and later divided by BES into two separate taxlots: a 7-acre industrial property and a 2.8-acre recreation lot (with an active boat launch and river frontage).

The Bureau acquired this property in 1996 for use with the CSO Big Pipe Project. The site was determined to be incompatible for CSO needs in 2001 and originally declared surplus in 2003. Due to contractual obligations from grant funding provided by the Oregon State Marine Board, disposal of the site was determined infeasible at that time. This is when BES completed the subdivision of the site, creating the industrial and recreational taxlots that currently exist.

For the last 6 years, BES has rented a portion of this property to UPS for trailer storage, and a portion of the property to Portland Parks and Recreation for heavy equipment use. As part of the agreement for use of the industrial site, Parks maintained the recreational lot and boat launch. Parks has since found a new location to shift operations to and had notified BES they would no longer be maintaining the recreational lot, or boat launch, as of January 1, 2023.

With no continued contractual requirements to keep this boat launch operational, BES is recommending disposal of this property. Public comments have shown a community desire to keep the boat ramp operational and accessible, but this ramp is not considered a priority to Portland Parks and Recreation. BES intends dispose of the property in a manner that keeps the boat ramp open to the public, either by transferring the boat ramp to another government agency or non-profit, or reserving an easement on behalf of the public. However, BES is not the appropriate bureau to hold any long-term easement at this site for continued public access.

Financial and Budgetary Impacts

By selling this property, BES will be eliminating an ongoing O&M cost, as well as removing liability associated with operating the boat ramp. Savings are estimated at \$50,000 annually. This includes direct costs associated with site operations and indirect costs associated with on-going houseless impacts requiring Impact Reduction Program remediation and cleanup.

BES will also receive a one-time payment for the sale of the property, estimated at \$7 million, that will be directed to the sewer operating fund.

Community Impacts and Community Involvement

For the public comment period, this site was posted with signage of a potential sale for the 60-day required period. These signs were left up after the 60 days ended and comments received after that point have been reviewed/included. The local Business Association and Neighborhood Association were notified via email, and adjacent property owners were sent mailings. In addition, BES Property staff worked with the Portland Harbor team and sent email notification to more than 100 Portland Harbor community contacts.

Through the public comment period, three main concerns were raised:

- This site needs to be kept open for public access this was raised by members of the community and is also voiced by the Department of State Lands and Oregon State Marine Board. Additionally, the Coast Guard expressed concerns over losing this ramp for their operation needs.
- 2. General concerns about site conditions and continued camping in the lot that discourages active use of the site for recreational purposes.
- 3. Support for Frog Ferry and efforts from that organization to have this property transferred to their portfolio as a Portland headquarters.

100% Renewable Goal

N/A

Budget Office Financial Impact Analysis

The public sale proposed is estimated to bring \$7 million one-time resources to the Sewer Operating Fund as well as eliminate \$50,000 of operating and maintenance costs. Included in the \$50,000 of O&M are expenses related to site operations and on-going houseless impacts requiring IRP remediation and cleanup.

Agenda Items

1072 Regular Agenda in <u>December 20, 2023 Council Agenda</u> (<u>https://www.portland.gov/council/agenda/2023/12/20</u>)

Passed to second reading

Passed to second reading January 10, 2024 at 9:30 a.m.

31 Regular Agenda in <u>January 10-11, 2024 Council Agenda</u> (<u>https://www.portland.gov/council/agenda/2024/1/10</u>)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea