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## 191859

Emergency Ordinance

### **\*Pay settlement of Arrowwood Investments LLC and Arlen Smith claims for \$15,300 for damages and the purchase of a parcel of property**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. In July 2023, the Portland Water Bureau had a small parcel of property declared as surplus. The parcel of property was no longer needed to deliver water to the residents of Portland. At the time, selling the property supported the bureau's commitment to thoughtful financial planning and efficient property management, allowing the bureau to deposit sale proceeds into the Water Fund and redirect bureau personnel resources currently being used to maintain and secure the property. That small parcel was sold in December 2023 and the deed recording the sale was recorded in January 2024.
2. Subsequent to the sale, a number of issues were discovered, including non-compliance with the surplus property rules and the existence of underground piping that potentially trespassed under the adjacent property owner. In addition, following the sale, the purchaser spent time and money to perform a variety of alterations to the property. In approximately June 2024, a lawsuit was filed by the adjacent property owner.
3. Given these discoveries and the lawsuit, the Water Bureau has agreed to repurchase the property described in Exhibit A and to compensate the purchaser for any and all potential damages of any kind whatsoever for a total of \$15,300.
4. In addition, the Water Bureau has agreed to review and update its internal policies related to the identification of surplus real property and to review binding City policy ADM 13.02 Disposition of City Real Property and recommend to the City Administrator any revisions to remedy identified issues.

NOW, THEREFORE, the Council directs:

Introduced by

[Mayor Ted Wheeler](#)

City department

[City Attorney](#); [Water](#)

Contact

J. Scott Moede

Chief Deputy City Attorney

✉ [scott.moede@portlandoregon.gov](mailto:scott.moede@portlandoregon.gov)

Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

August 14, 2024

- A. The City Attorney's Office and the Portland Water Bureau Director are authorized to execute on behalf of the City of Portland any and all documents required by the City Attorney for conveyance of the title to the property described as Exhibit A and for payment of damages of \$15,300.
- B. The Water Bureau will review and update its internal policies related to the identification of surplus real property and will review ADM 13.02 and recommend any appropriate revisions to the City Administrator.

Section 2. The Council declares that an emergency exists in order to avoid undue and costly delay in settling the identified claims; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

## Exhibits and Attachments

 [Exhibit A](#) 42.67 KB

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

August 14, 2024

Auditor of the City of Portland

Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

In July 2023, the Portland Water Bureau had a small parcel of property declared as surplus. The parcel of property was no longer needed to deliver water to the residents of Portland. At the time, selling the property supported the bureau's commitment to thoughtful financial planning and efficient property management, allowing the bureau to deposit sale proceeds into the Water Fund and redirect bureau personnel resources currently being used to maintain and secure the property. That small parcel was sold in December 2023 and the deed recording the sale was recorded in January 2024.

Subsequent to the sale, a number of issues were discovered, including non-compliance with the surplus property rules and the existence of underground piping that potentially trespassed under the adjacent property owner. In addition, following the sale, the purchaser spent time and money to perform a variety of alterations to the. In approximately June 2024, a lawsuit was filed by the adjacent property owner.

Given these discoveries and the lawsuit, the Water Bureau has agreed to repurchase the property, compensate the purchaser for any and all potential damages of any kind whatsoever for a total of \$15,300.

In addition, the Water Bureau has agreed to review and update its internal policies related to the identification of surplus real property and to review binding City policy ADM 13.02 Disposition of City Real Property and recommend to the City Administrator any revisions to remedy identified issues.

### Financial and Budgetary Impacts

The total amount to be paid will be the \$15,300.

### Community Impacts and Community Involvement

The adjacent property owner, as part of the community, supports this resolution as do others in the neighborhood.

### 100% Renewable Goal

This action does not impact the City's total energy use or the City's renewable energy use.

### Budget Office Financial Impact Analysis

This ordinance authorizes the bureau to pay claims of \$15,300 for damages on a property previously sold by the bureau but has since been repurchased. The bureau has the resources required to pay the settlement in its operating budget.

### Document History

Item 723 Consent Agenda in [August 14, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/8/14)  
(<https://www.portland.gov/council/agenda/2024/8/14>)

City Council

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Absent

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea