

URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

URA RESOLUTION NO. 2017-03

RESOLUTION OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY
DECLARING INTENT TO SELL CERTAIN PROPERTIES OF NO FURTHER
PUBLIC USE AND SETTING A PUBLIC HEARING

WHEREAS, the Urban Renewal Agency (URA) is presently the owner of the properties described as tax lot 1S306BB03400 which is 0.01 acre lot located at 2022 "A" Street and tax lot 1S306BB03702 located at 2033 "B" Street; and

WHEREAS, the northern 4.7 feet of tax lot 1S306BB03702 has been used by the neighboring property for at least 37 years and the property owner needs that property to have legal access to a residence on his property; and

WHEREAS, the URA has investigated the desirability of retaining ownership of tax lot 1S306BB03400 and the northern 4.8 feet of tax lot 1S306BB03702 and finds it has no need of said properties now or in the future; and

WHEREAS, the adjacent property owners are the only other parties who would have need of these two properties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1. That the Forest Grove Urban Renewal Agency Board hereby declares its intent to sell said real property to the adjacent property owners and authorizes staff to negotiate the sales terms.

Section 2. A hearing is set for August 14, 2017, at 7:00 p.m. to hear any remonstrance and objections, if any, to the proposed sale.

Section 3. This resolution is effective immediately upon its enactment by the Urban Renewal Agency Board.

PRESENTED AND PASSED this 10th day of July, 2017.



M. Jesse VanderZanden
Urban Renewal Agency Executive Director

APPROVED by the URA Board Chair this 10th day of July, 2017.



Peter B. Truax
Urban Renewal Agency Chair



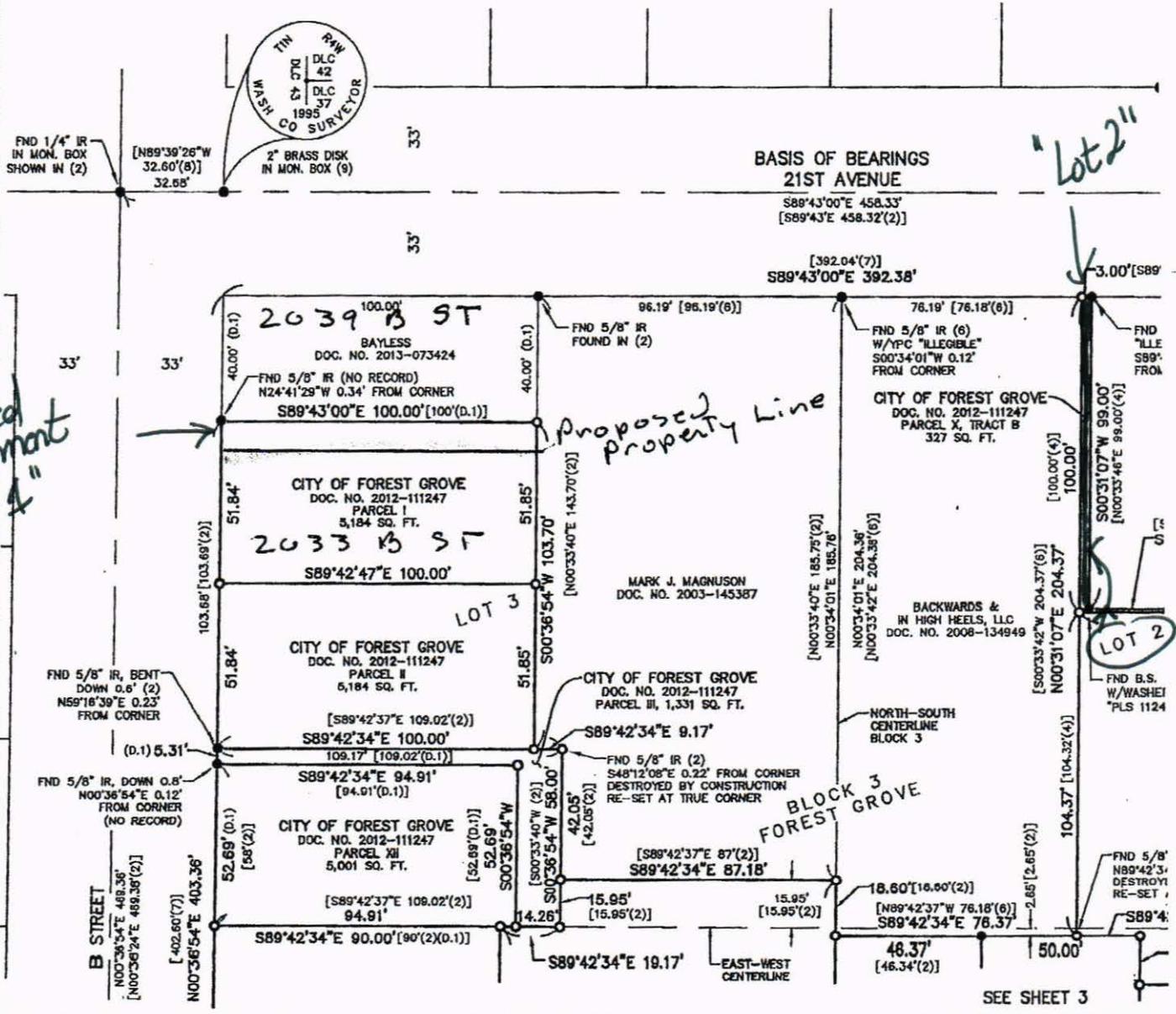
0 15' 30'
SCALE: 1"=30'

RECORD OF SUR

A PORTION OF BLOCK 3, TOWN OF FOREST GROVE, AND 1 WALKERS ADDITION TO THE TOWN OF FOREST GROVE, IN THE 1/4 OF SECTION 1, T.1S., R.4W., THE SE 1/4 OF SECTION 1, T.1N., R.3W., OF THE WILSON CITY OF FOREST GROVE, WASHINGTON CO
DATE: NOVEMBER 13, 2015

LEGEND

- FOUND MONUMENT AS NOTED
- SET 5/8" x 30" IRON ROD WITH YELLOW PLASTIC CAP MARKED "WESTLAKE CONSULTANTS"
- ⊗ SET BRASS PLUG MARKED "WESTLAKE CONSULTANTS"
- △ SET MAG NAIL WITH WASHER
- FND FOUND
- IR IRON ROD
- B.S. BRASS SCREW
- W/YPC WITH YELLOW PLASTIC CAP
- DOC. NO. DOCUMENT NUMBER WASHINGTON COUNTY RECORDS





property stake →



A place where families and businesses thrive.

CITY RECORDER USE ONLY:	
AGENDA ITEM #:	4
MEETING DATE:	URA 7/10/17
FINAL ACTION:	URA Reso 2017.03

URBAN RENEWAL AGENCY STAFF REPORT

TO: Urban Renewal Board of Directors

FROM: Jesse VanderZanden, Executive Director

MEETING DATE: July 10, 2017

PROJECT TEAM: Paul Downey, Director of Administrative Services

SUBJECT TITLE: Declaring Property of No Public Use and Authorizing Sale Process

ACTION REQUESTED:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Order	<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Motion	<input type="checkbox"/> Informational
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X all that apply

ISSUE STATEMENT: An issue has been discovered with one tax lot owned by the Urban Renewal Agency (URA) and an adjacent property owner is interested in acquiring another tax lot adjacent to its property that is owned by the URA but is of no use to URA due to its size and shape. Staff has prepared a resolution to declare a portion of one tax lot and the other tax lot as of no public use so the properties can be disposed of by sale by the URA.

BACKGROUND: Both lots are part of what was known as the Times Litho purchase. The City had the entire Times Litho property surveyed in preparation of selling the property to the URA which subsequently sold a portion of the property to Tokola Properties. The two tax lots will be discussed separately. A pdf showing the location of the lots is attached.

Lot 1 – Parcel 1 Doc. No. 2012-111247

This lot is the northern edge of TAX LOT 1S306BB03702 of the remaining property owned by the URA. The owner of the property on the corner of 21st Street and B Street is trying to sell his property which is adjacent to the northern boundary line of Lot 1. The survey, completed by the City several years after the City purchased the property, showed that 4.7 feet of that property’s back yard and fence is actually on the lot owned by the URA. Staff was not aware of this issue until the property owner inquired about how to address the issue. A picture is attached showing the where the property line is shown by a stake with a pink ribbon. The property line is about 3 inches to the right of the gutter. The property is a duplex and one of the units would be unusable if the actual property line was enforced by the URA. The entrance to one of the units is in the back yard and there would be insufficient room for the required access to that unit.

Jon Holan and I met with the Bryan Bayless, the property owner, and his real estate agent at their request to see what could be done about the issue. He purchased his property in 2013 and was not aware until recently of the issue. He is interested in selling his property but needs this issue

resolved. The real estate agent's research showed that the fence has been its current location since at least 1980. She could find no information before that date.

Staff told him that the 4.7 feet of property in question was not considered by the City as part of the Times Litho purchase since the City was not aware that was part of the property and has no plans to use it and that staff would recommend to the Board that the property be sold to him if he did the survey work required. He has done that and will spend about \$3,500 for the survey work. The surveyor recommended that the amount of property disposed of go one inch past the fence to make sure the whole fence is included so the total proposed adjustment will be for 4.8 feet on the northern property line.

Lot 2 – Parcel X, Tract B, Doc. No. 2012-111247

This lot is a 327 square foot L-shaped lot that is 3 feet wide by 100 feet long with another small strip that is 1 foot wide by 27 feet long. The long strip is located between the former post office and the former Ruralite building with the small strip running along the southern border of the former Ruralite building. The URA has no use for this lot as it does not own any adjacent property. Tokola Properties specifically excluded this lot from its purchase of the property for the Jesse Quinn building as they had no use for it. The only party this lot would benefit due to the shape of the lot would be A Street Investors who purchased the Ruralite building.

Staff recommends that the URA not keep the property since it has no use for the property and can do nothing with the property. Staff recommends that, due to the size and shape of the property, the property be sold to A Street Investors.

DISCUSSION

Unlike personal property, the URA cannot just declare the property as surplus property and dispose of it as such. Per the City Attorney's Office, there are two statutory provisions at issue: ORS 271.310 and ORS 221.725.

ORS 271.310 provides that "whenever any political subdivision possesses or controls real property not needed for public use, or whenever the public interest may be furthered, a political subdivision may sell, exchange, convey or lease for any period not exceeding 99 years all or any part of the political subdivision's interest in the property to a governmental body or private individual or corporation. The consideration for the transfer or lease may be cash or real property, or both." The statute goes on to say that a local government cannot dispose of real property needed for public use, unless an exception applies (none apply here).

ORS 221.725 lays out the process the City must use in selling real property:

1. Council will declare the property not needed for public use. No hearing or advertisement is required at this step. While there are no specific criteria the governing body must follow to declare property "not needed" or "surplus," a rational basis must support the declaration (i.e. no need for the property; need the money; etc.)

2. If the property is within 100 feet of railroad ROW, or within 500 feet of an at-grade crossing, the city must give notice to ODOT's railway division at least 30 days before listing or placing the property for sale.
3. City will obtain appraisal, market the property and negotiate a purchase and sale agreement ("PSA") with buyer.
4. Governing body must hold at least one hearing on the sale prior to closing the transaction.
 - a. At least five days before the hearing, the city must publish a notice of the proposed sale and the hearing in a newspaper of general circulation.
 - a. The notice must state the time and place of the hearing, a general description of the property, the proposed uses for the property (if known) and the reasons why the city considers it necessary to sell it.
 - b. At the hearing, the nature of the proposed sale and its terms must be "disclosed" (i.e. available for anyone interested) and an appraisal or other evidence of market value must exist.
5. Sign PSA with the buyer.
6. Permit the buyer to complete due diligence as permitted in PSA.
7. Close sale and transfer property to buyer.

Staff recommends following this process. A regular appraisal on either property will be difficult to obtain as one is just a portion of a backyard of an existing home that is only of use to that property owner and the other lot is small and irregularly shaped. City Attorney and staff are discussing an alternative method to come up with a value. Staff feels any value will be small. Staff will most likely recommend that the property be sold in exchange for the buyers paying all of the costs of completing the transactions which both purchasers are willing to do.

FISCAL IMPACT: The two lots are of minimal value to the URA. It would be difficult to negotiate a price as there are no other willing buyers who would have any practical use for the property and no other development can occur on the two lots. The other parties will pay the fees for the transactions.

STAFF RECOMMENDATION: Staff recommends the Board of Directors approve the attached resolution declaring the two lots having no public use and authorizing staff to go through the process to sell the lots to the adjacent property owners.

ATTACHMENT(s): URA Resolution Declaring Surplus Property
Tax Lot Map Showing Locations of Lot 1 and Lot 2
Picture of Property Line for Lot 1