



Memorandum Date: June 7, 2024
Order Date: June 25, 2024

TO: Board of County Commissioners

DEPARTMENT: Public Works/Engineering and Construction Services/Surveyors

PRESENTED BY: Mike Davis, Right of Way Agent 2, Right of Way Services

AGENDA ITEM TITLE: ORDER/ IN THE MATTER OF AUTHORIZING THE SALE OF COUNTY OWNED REAL PROPERTY IDENTIFIED AS MAP AND TAX LOTS 17-04-25-24-02100 AND 02200 TO THE CITY OF EUGENE AND AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE DOCUMENTS TO COMPLETE THE SALE.

I. MOTION

Move to approve the Order to sell Lane County owned Road Fund property and to authorize the County Administrator to execute documents to complete the sale.

II. AGENDA ITEM SUMMARY

The Board is being asked to authorize Public Works Right of Way Services Staff to negotiate the sale of County owned real property identified as Map and Tax Lots 17-04-25-24-02100 and 02200 to the City of Eugene and authorize the County Administrator to execute any necessary documents to facilitate the closing of the sale.

The sale will take place as less than real market value in exchange for a proposed and City-approved resolution of penalties associated with delayed remittance of taxes withheld pursuant to the City of Eugene's payroll tax ordinance (No. 20616). With approval of this sale, County Counsel can resolve this outstanding issue to the mutual benefit of the City and County without additional expenditures or general fund dollars.

III. BACKGROUND / IMPLICATIONS OF ACTION

A. Board Action and Other History

The properties proposed to be sold are two contiguous tax lots comprising of a total of 1.79 acres and are zoned C-2 (Community Commercial) at the NW corner of River Road and NW Expressway.

In 1985, Lane County acquired approximately 4.92 acres from the Oregon Department of Transportation (ODOT) for the Chambers Connector project. The project proposed to substitute a connector road to Roosevelt Boulevard, build a bikeway bridge, and extend Chambers Street

to south River Road with an overpass across the Southern Pacific railroad tracks. The project was completed in 1987.

Some of this acreage was deeded to the City of Eugene in 2014, except for 1.79 acres.

We, Lane County Public Works, have been in negotiations with the City since 2018, when we ordered the original valuation of the property. COVID caused a significant burden to proceeding forward. The current 2023 appraisal (\$620K) is significantly higher, but we elected to use the 2018 appraisal (\$390K), less the additional outstanding penalties due to the County's delayed remittance of payroll tax withholding for the mutual benefit of the City and County. This proposed action resolves any outstanding issue of penalties, honors prior negotiations, and supports the City's efforts in developing the land. This yields a sale price of \$347,515.00.

This is a reasonable concession and supports the City's desire to resolve the penalties in the interest of the public good and build affordable housing on the location. Sale of the property provides the road fund with an appropriate level of one-time money and satisfies the legal requirements of ORS 368 and LM Ch. 4.

The sale of the property also provides benefit to the County in that it will garner operational and financial cost savings over time due to the high number of illegal camping complaints.

Since 2021, we have cleaned up 34 camps and removed approximately 12,800 lbs. of trash, hazardous waste (needles, human waste and chemicals), metals and propane tanks. In this same time period, we have utilized the Sheriff Work Crew (SWC) 8 times and the fire department has responded to a field fire caused by illegal campers.

YEAR	CAMPS	SWC ASSIST	LBS WASTE DISPOSED (est.)
2021	5	2	2,000
2022	8	2	3,200
2023	10	1	4,000
2024	10	3	3,600
TOTAL	34	8	12,800

This property is a drain on both our Nuisance Abatement Team and other operational resources. Partnering with the city is simply a better use of resources, supports the community and our strategic goal of creating vibrant communities.

Lane County currently owes \$272,484.65 in penalties for delayed tax payments associated with their payroll tax ordinance. Pending committee approval and final execution of an IGA and sale documents, the City agrees that this sale will satisfy those costs.

Public Works has determined there is no reason to retain the property, as it is not needed for public use.

B. Policy Issues

Oregon Revised Statutes (ORS) 271.310 allows the transfer or lease of real property owned by a political subdivision if the real property is not needed for public use. It has been determined the sale of this property meets those criteria.

Further, resolution of outstanding penalties imposed by the City of Eugene through this transfer at a lower cost reduces drain on County budgets in a manner to benefits all parties. This proposal support's Lane County's efforts to remain fiscally responsible, furthers the development housing for Lane County's most vulnerable community members, and reduces a payout from the General Fund in a time of budget reductions.

C. Board Goals

This proposal is in line with Strategic Priority 3, Robust Infrastructure. The proceeds from the sale of this County owned property will be redistributed into the Lane County Road Fund, which will ultimately be used to improve the safety of Lane County's transportation and operations facilities.

D. Financial and/or Resource Considerations

February 20, 2018, Clint Becraft, of Viewpoint Appraisals, LLC. provided an appraisal for the purpose of determining fair market value for the sale of the subject property, and a value of \$390,000 was determined. November 16, 2023, Clint Becraft, of Viewpoint Appraisals, LLC. provided an updated appraisal report and a value of \$620,000.

The subject real property was acquired with Road Funds. All net proceeds will be redistributed back into the Road Fund.

The penalties owing on the unremitted payroll taxes are \$272,484.65. The City could otherwise pursue payment of these funds but has agreed to a reduced sale price for this property, instead.

The proposed sale price is \$347,515.00. The City of Eugene has agreed to this price.

E. Health Implications

The City of Eugene intends to use the property for to create housing opportunities. Housing is in critically short supply in Eugene and around Lane County. Lack of stable housing can drastically impact physical and mental health. For the chronically unhoused, once someone is stably housed and have basic needs met, they can then focus on other aspects that make it challenging to retain housing including behavioral health problems, substance abuse, and joblessness.

F. Analysis

The County-owned road fund real property as described in the Order is not needed for right of way purposes, sale at the 2023 appraised value will resolve an outstanding cost to the County through a negotiated agreement with the City, and the public interest will be furthered by selling the property by furthering opportunities for housing.

G. Options

The Board of County Commissioners has the option to:

1. Approve the motion allowing Public Works Right of Way Services Staff to negotiate and close the sale of County owned real property for \$347,515 (real market value – less penalties) and authorize the County Administrator to execute any necessary documents to close the sale.
2. Deny the motion.
3. Continue the matter for further consideration.

IV. RECOMMENDATION

Public Works Right of Way Services Staff recommends the Board support Option Number 1, allowing Public Works Right of Way Services Staff to negotiate the sale of the County owned real property, and authorize the County Administrator to execute any related documents, pursuant to the requirements set forth in ORS 271.310.

V. TIMING / IMPLEMENTATION

In order to acquire funding this order will need to be approved prior to June 30, 2024 (end of fiscal year). The City would purchase the property using State ARPA (SD12) funds that are for unhoused response and must be spent by this summer. Local service provider The Alliance would operate the shelter, and funding for new site work and operations would come from Square One Villages, Trillium, and HIV Alliance. Site development work would begin later this summer, and the site would be projected to open in late fall 2024 or early 2025.

At some point in the future, the site would be intended to be developed as Affordable Housing, subject to the City's established and award-winning land banking program process. It is currently zoned for multi-unit development. The timing of development would depend on the availability of local and State development subsidies and funds for off-site infrastructure and would include engagement with the surrounding neighborhood and City Council.

VI. FOLLOW-UP

If the Board of County Commissioners approves the Order to sell the County owned real estate, Right of Way Services Staff will begin the process of listing the property and considering offers accordingly. Upon accepting a reasonable offer, Staff will work with the purchaser and County Administrator to close the transaction.

Counsel for the Office of Legal Counsel will finalize resolution of outstanding penalties and interest from delayed payroll tax payments with the City of Eugene's attorney.

VII. ATTACHMENTS

Order with Exhibits:

Exhibit A – “DRAFT” Bargain and Sale Deed to City of Eugene

Exhibit B – GIS Aerial Map of the Subject Property (2 tax lots)

Exhibit C – Purchase Surplus Lane County Owned Real Property “Offer to Purchase”
Bargain and Sale Deed to City of Eugene

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 24-06-25-12

ORDER/ IN THE MATTER OF AUTHORIZING THE SALE
OF COUNTY OWNED REAL PROPERTY IDENTIFIED AS
MAP AND TAX LOTS 17-04-25-24-02100 AND 02200 TO
THE CITY OF EUGENE AND AUTHORIZING THE
COUNTY ADMINISTRATOR TO EXECUTE DOCUMENTS
TO COMPLETE THE SALE.

WHEREAS, Lane County owns real property located at the corner of River Road and NW Expressway identified as Map and Tax Lots 17-04-25-24-02100 and 02200; and

WHEREAS, the County owned real property was acquired through the use of Road Funds, and is not being used or needed for transportation purposes; and

WHEREAS, Public Works Staff has determined it is in the best interest of the public to sell the County owned real property at the 2023 appraised value less penalties; and

WHEREAS, ORS 271.310 provides the transfer or lease of real property owned or controlled by a political subdivision if the real property is not needed for public use or whenever the public interest may be furthered; and

WHEREAS, the sale of the County owned real property meets the criteria set forth in ORS 271.310; and

WHEREAS, the immediate intent for the property would be for use as a micro-site shelter for people experiencing homelessness and future intent would be for creating affordable housing; and

WHEREAS, move to approve the Order to sell Lane County owned Road Fund property to the City of Eugene and to authorize the County Administrator to execute documents to complete the sale; and

WHEREAS, the Board is of the opinion that selling the County owned real property to the City of Eugene is in the best interest of the public.

NOW, THEREFORE, the Board of Commissioners of Lane County **ORDERS** as follows:

1. Public Works Right of Way Services Staff are authorized to facilitate the closing of the sale of the County owned real property to the City of Eugene identified as Map and Tax Lots 17-04-25-24-02100 and 02200, at the November 16, 2023 appraised value less penalties.
2. The County Administrator is authorized to execute any documents necessary to complete the sale.
3. All net proceeds from the sale of the real property are to be redistributed into the Lane County Road Fund.
4. This Order be entered into the records of the Lane County Board of Commissioners Journal of Administration.

ADOPTED this 25th day of June, 2024.

Laurie Trieger, Chair
Lane County Board of Commissioners

EXHIBIT A

After Recording Return to, and
Send Tax Statements to:
Lane County Public Works
Right of Way Management Section
3040 N. Delta Highway
Eugene, Oregon 97408

RECORDING INFORMATION

DO NOT WRITE IN THIS SPACE

BARGAIN & SALE DEED

LANE COUNTY, a political subdivision of the State of Oregon, pursuant to Order No. 24-06-25-12 of the Board of County Commissioners of Lane County, Grantor, for the true and actual consideration of \$347,515.00 conveys to **CITY OF EUGENE**, an Oregon municipal corporation, Grantee, all that real property situated in Lane County, State of Oregon, described as follows:

A parcel of land lying in the Prior F. Blair D.L.C. No. 39, Township 17 South, Range 4 West, W.M., Lane County, Oregon and being that property described in those deeds to the State of Oregon, by and through its State Highway Commission, recorded on Reel 616R, Instrument No. 32600; Reel 560R, Instrument No. 75297, and on Reel 538R, Instrument No. 52838 of Lane County Official Records.

EXCEPT THEREFROM that property described in that Deed to Lane County, recorded on Reel 1020R, Instrument No. 7953969 of Lane County Official Records.

FURTHER EXCEPT THEREFROM that portion conveyed to the City of Eugene, a municipal corporation of the State of Oregon, by Deed recorded March 18, 2014, Reception No. 2014-009141, Lane County Deeds and Records.

Said parcel of land contains 1.78 acres, more or less.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Greg Rikhoff, Acting in Charge
For Lane County Administrator

STATE OF OREGON)
) ss.
County of Lane)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2024,
by Greg Rikhoff, acting in charge for the Lane County Administrator, who acknowledged such instrument
to be their free and voluntary act and deed, and on oath stated that they were duly authorized to execute
such instrument.

Notary Public for Oregon

My Commission Expires: _____

EXHIBIT B

OVERVIEW SITE MAP

Map and TL's: 17-04-25-24-02100 & 02200



EXHIBIT C

PURCHASE SURPLUS LANE COUNTY OWNED REAL PROPERTY

Name of Offeror (Buyer): City of Eugene
(As wanted to appear on Deed)

Address of Offeror (Buyer): 100 W. 10th Ave. STE 400
Eugene, OR 97401

Offer to purchase Lane County owned real property described as follows, to wit:

Assessor's Map 17-04-25-24 Tax Lots 2100 and 2200 (River Road/NW Expressway)

Amount of Offer & Closing Costs

Amount of Offer: **\$347,515.00**

Remaining Amount of Offer and Estimated Closing Costs:

Title Policy: \$1,046.00
Recording Fee: \$142.00
Escrow: \$1,500.00
GSF Fee: \$35.00

Total Closing Costs: \$2,723.00

Final Balance Due: \$350,238.00

The undersigned has offered and agrees to the terms set forth in the "Terms of Sale" (attached hereto), which are incorporated herein by reference and made a part hereof and agrees to pay Lane County the sum indicated above as the "Amount of Offer."

In the event the offeror fails to pay the balance due in the time specified, all rights of the offeror in said real property shall cease and all right, title, and interest in said real property shall continue to remain vested in Lane County, free of any claims or equity in the undersigned offeror or those claiming through him/her.

I hereby agree to purchase the above property and to pay the price of **\$347,515.00** as specified above. All closing costs will be paid by the offeror (Buyer).



Signature of Buyer
City Manager

Sarah Medary – City Manager
Printed Name of Buyer

06/10/2024

Date

Jonathan Patrick
Real Property Officer
Buyer Representative

(541) 729-2111
Phone of Offeror Representative:

JPatrick@eugene-or.gov
Email of Buyer Representative

TERMS OF SALE

This offer will be attached to a Board Order that will be submitted to the Lane County Board of Commissioner's for approval of the sale. This sale is conditioned on Board approval and will be null and void if the Board does not approve.

The transaction will be closed at Evergreen Land and Title. Title insurance, all escrow, and recording fees will be paid by the offeror (Buyer).

All cash payments must be made in CASH, BUSINESS CHECK, OR CERTIFIED CHECK, payable to "Evergreen Land and Title".

This property is sold on an "**as is, where is, with all faults**" basis. Lane County shall convey only such right, title and interest in said real property as is now vested in Lane County. Conveyance will be made by **Bargain and Sale Deed**. No warranty or guarantee, expressed or implied, is made regarding condition of title (encumbrances, liens, easements, etc.), ability to use a property for any particular purpose pursuant to Oregon land use law, existence of legal access, location of property boundaries or any other matter concerning a property. Title insurance will be provided, including a preliminary title report. It is the responsibility of the Offeror to thoroughly investigate the property prior to purchasing it from Lane County.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505.

After Recording Return to, and
Send Tax Statements to:
Lane County Public Works
Right of Way Management Section
3040 N. Delta Highway
Eugene, Oregon 97408

RECORDING INFORMATION

DO NOT WRITE IN THIS SPACE

BARGAIN & SALE DEED

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A parcel of land lying in the Prior F. Blair D.L.C. No. 39, Township 17 South, Range 4 West, W.M., Lane County, Oregon and being that property described in those deeds to the State of Oregon, by and through its State Highway Commission, recorded on Reel 616R, Instrument No. 32600; Reel 560R, Instrument No. 75297, and on Reel 538R, Instrument No. 52838 of Lane County Official Records.

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Greg Rikhoff, Acting in Charge
For Lane County Administrator

STATE OF OREGON)
) ss.
County of Lane)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2024,
by Greg Rikhoff, acting in charge for the Lane County Administrator, who acknowledged such instrument
to be their free and voluntary act and deed, and on oath stated that they were duly authorized to execute
such instrument.

Notary Public for Oregon

My Commission Expires: _____