#### BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 00-2890
EXECUTIVE OFFICER TO PURCHASE	)	
PROPERTY IN THE EAST BUTTES / BORING	)	Introduced by Mike Burton
LAVA DOMES TARGET AREA	)	Executive Officer

WHEREAS, in July 1992, Metro completed the Metropolitan Greenspaces Master Plan which identified a desired system of natural areas interconnected with greenways and trails; and

WHEREAS, at the election held on May 16, 1995, the Metro area voters approved the Open Spaces, Parks and Streams bond measure (Ballot Measure 26-26) which authorized Metro to issue \$135.6 million in general obligation bonds to finance land acquisition and capital improvements; and

WHEREAS, on July 25, 1995 via resolution 96-2361, the Metro Council adopted a refinement plan for the East Buttes / Boring Lava Domes regional target area, which included a confidential tax-lot specific map identifying priority properties for acquisition; and

WHEREAS, the East Buttes / Boring Lava Domes target area refinement plan identifies properties in a corridor of open space between Gresham Butte and the town of Damascus as high priority acquisition targets due to the existence of a biologically viable wildlife habitat corridor; and

WHEREAS, since 1996, Metro has acquired approximately 325 acres in this corridor in two large blocks separated by a group of privately-owned properties; and

WHEREAS, Lone Oak Construction, Inc. (Lone Oak), and the Sundberg family (the Sundbergs) own partial interests in approximately six acres within the group of privately-owned properties: and

WHEREAS, Metro contracted to purchase the Lone Oak property, subject to the City of Gresham's approval of a lot-line adjustment which would separate Lone Oak's interest in the six-acre property from the Sundberg's interest in the six-acre property; and

WHEREAS, the City of Gresham indicated that it would not approve of the proposed lotline adjustment unless the property to be acquired by Metro was reconfigured to meet City zoning standards; and

WHEREAS, the City of Gresham's proposed reconfiguration reduces the size of the property which Metro contracted with Lone Oak to purchase by approximately 0.1 acre; and

WHEREAS, because the dimensions of the property that Metro contracted to buy are different from the dimensions of the property that Metro would purchase were the transaction to proceed according to the City of Gresham's proposed reconfiguration, Metro's acquisition of the reconfigured Lone Oak Property is an unusual circumstance; and

WHEREAS, the Open Spaces Implementation Work Plan requires Metro Council's specific approval for acquisitions which involve an "unusual circumstance;"

BE IT RESOLVED,

That the Metro Council authorizes the Metro Executive Officer to purchase from Lone Oak the East Buttes / Boring Lava Domes Target Area property identified in Exhibit A.

ADOPTED by the Metro Council this 27th

day of January

2000. . .

David Bragdon, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

EXHIBIT A PROPOSED ACQUISITION OF PROPERTY OWNED BY LONE OAK CONSTRUCTION, INC

### Staff Report

CONSIDERATION OF RESOLUTION NO. 00-2890 FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO PURCHASE PROPERTY IN THE EAST BUTTES / BORING LAVA DOMES TARGET AREA

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Date: January 6, 2000 Presented by: Charles Ciecko

Jim Desmond

### PROPOSED ACTION

Resolution No. 00-2890 requests authorization for the Executive Officer to purchase property in the East Buttes / Boring Lava Domes target area.

### BACKGROUND AND ANALYSIS

In May, 1995, the Metro area voters approved the Open Spaces, Parks and Streams bond measure (Ballot Measure 26-26) which authorized Metro to issue \$135.6 million in general obligation bonds to finance land acquisition and capital improvements.

On July 25, 1996, via Resolution 96-2361, the Metro Council adopted a refinement plan which outlined a land protection strategy for the East Buttes / Boring Lava Domes regional target area. Protection of a biologically viable wildlife habitat corridor stretching from Gresham Butte, toward Damascus ranks among the high priority objectives for this target area. Achieving this objective is particularly imperative now in the northern end of the targeted corridor, where wooded hillsides and intermittent tributaries to urban streams such as Kelly and Johnson Creeks are included within the Urban Growth Boundary or Urban Reserve areas. Since 1997, fifteen residential subdivisions have opened in this general vicinity, with new construction ongoing.

Metro has acquired 210 undeveloped acres in this highly competitive market. South of this block of open space, and outside of the UGB, Metro has assembled approximately another 125 open space acres. A small block of privately-owned land, located within the UGB, separates the two areas of Metro ownership and interrupts the open space corridor that Metro is attempting to protect.

Lone Oak Construction, Inc. (Lone Oak), owns approximately six acres in this privately owned area. When Metro approached Lone Oak to negotiate the acquisition of the six acres, Lone Oak was designing and engineering a 28-unit residential subdivision. The subdivision design anticipated establishing access and utilities for adjacent properties, paving the way for associated development in the habitat corridor that Metro's refinement plan intended to protect.

Metro's negotiations with Lone Oak revealed a complicated title history for the property. At one time, Lone Oak owned the entire six acres, consisting of two tax lots, each with a home on it. Lone Oak then sold the smaller of the two tax lots to the Sundberg family. Lone Oak's sale to the Sundbergs included the condition that if the adjacent Lone Oak tax lot were to be developed, the developer would have the right to develop a portion of the Sundberg lot as well,

shrinking the Sundberg tax lot from approximately one acre to no less than 10,000 square feet, the size of a lot in the surrounding development. This condition included the requirement that should development of the adjacent tax lot occur, the Sundbergs would remove their existing swimming pool and deck in order to fit their improvements within the shrunken tax lot dimensions.

Metro and Lone Oak executed a purchase and sale agreement that recognized the Sundberg's interest in Lone Oak's property. The agreement was contingent upon the City of Gresham's approval of a lot line adjustment that would shrink the Sundberg's tax lot to the size of a lot within Lone Oak's subdivision design (see Attachment A). After the lot-line adjustment, the Sundberg's new tax lot would be surrounded on three sides by land that Metro would acquire, and would lack road frontage. Metro would establish road access for the Sundbergs by granting to the Sundbergs an access easement along their existing driveway. In addition, Metro would grant to the Sundbergs a revocable license that allowed them to retain their deck and pool, even though it encroached on the Metro property.

The City of Gresham rejected the lot-line adjustment unless two changes were made. The City is requiring that the new Sundberg lot be expanded slightly to include the deck and pool in order to meet standard setback requirements. They have also required a minor reconfiguration that would establish Regner Road frontage for the new Sundberg lot by including the existing driveway within the new tax lot (see Attachment B).

The City's reconfiguration reduces the area that Metro would acquire by 0.1-acre from the area that Metro originally contracted to buy from Lone Oak. While this reduction does not affect the value of what Metro is acquiring in the opinion of Metro's review appraiser, it does result in a different property from the one Metro originally contracted to purchase. Consequently, acquisition of the subject property from Lone Oak constitutes an "unusual circumstance," requiring specific approval by the Metro Council according to the Open Spaces Implementation Work Plan.

#### **FINDINGS**

Acquisition of this property is recommended based on the following:

- The reconfiguration of the Lone Oak property does not compromise Metro's resource protection goals because the land it is losing is already encumbered by a driveway and a deck and pool, both of which Metro intended to accommodate in the original contract.
- Lone Oak has indicated that if Metro does not buy the property; it will either immediately
  develop the property, or accept an offer from a developer to purchase and develop the
  property.
- Acquisition of the Lone Oak property will assist Metro in linking two blocks of open space
  acreage and in accomplishing the target area objective of acquiring "a biologically
  significant, contiguous open space of approximately 400-600 acres..." If Lone Oak develops
  this property, facilitating the development of adjacent properties, this objective would
  become infeasible.

 This acquisition on these terms was recommended by the Real Estate Acquisition Committee, which met in mid-January 2000.

# **BUDGET IMPACT**

Bond funds would supply acquisition money. Budget forecasts identified the Lone Oak parcel as a "must have" property, and anticipated this expenditure. Landbanking costs are expected to be minimal.

## **EXECUTIVE OFFICER'S RECOMMENDATION**

The Executive Officer recommends passage of Resolution No. 00-2890.



