

BEFORE THE METRO COUNCIL

AUTHORIZING THE CHIEF OPERATING OFFICER
TO PURCHASE CERTAIN PROPERTIES IN THE
CLACKAMAS RIVER BLUFFS AND GREENWAY
TARGET AREA UNDER THE 2006 NATURAL AREAS
BOND MEASURE

RESOLUTION NO. 08-3906

Introduced by Chief Operating Officer
Michael J. Jordan, with the
concurrence of Council President
David Bragdon

WHEREAS, at the general election held on November 7, 2006, the voters of the Metro region approved the 2006 Natural Areas Bond Measure, authorizing Metro to sell \$227.4 million in general obligation bonds to fund natural area acquisition and water quality protection; and

WHEREAS, Resolution No. 07-3766A “Authorizing the Chief Operating Officer to Purchase Property with Accepted Acquisition Guidelines as Outlined in the Natural Areas Implementation Work Plan,” adopted by the Metro Council on March, 1 2007, identifies a pre-approved set of criteria and conditions under which the Chief Operating Officer and his designees are authorized to negotiate and complete land acquisition transactions related to the 2006 Natural Areas Bond Measure (the “Acquisition Parameters and Due Diligence Guidelines”); and

WHEREAS, the Acquisition Parameters and Due Diligence Guidelines require, among other things, that prior to negotiating and closing a real estate transaction related to the 2006 Natural Areas Bond Measure (1) an initial appraisal and a review appraisal of the property be obtained and (2) the purchase price for the property be equal to or less than the fair market value as established by such appraisal and appraisal review processes; and

WHEREAS, Metro staff has identified certain opportunities to purchase up to five separate properties identified for acquisition in the 2006 Natural Areas Bond Measure Clackamas River Bluffs and Greenway Target Area, which properties are identified and further described on the attached Exhibit A (the “River Island Properties”); and

WHEREAS, acquisition of the River Island Properties will complete the public ownership of River Island and allow Metro to move forward with an important fish and wildlife habitat restoration project in the area; and

WHEREAS, each of the five River Island Properties is isolated, has limited public access and development potential, and is less than an acre in size; and

WHEREAS, Metro staff has already negotiated the purchase of two of the five River Island Properties, each for a purchase price of \$5,000 (approximately \$5,000 to \$10,000 per acre); and

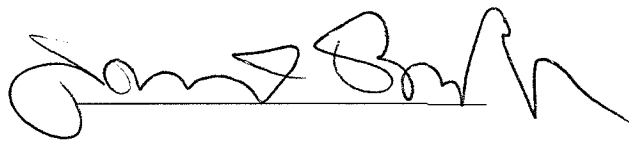
WHEREAS, the cost of obtaining an appraisal and appraisal review for each of the five River Island Properties would likely cost approximately \$3,000 per property; and

WHEREAS, due to the particular nature and size of the five River Island Properties, and due to the fact that each of the River Island Properties acquisitions will be for a purchase price of \$10,000 or less, it is in the best interest of the 2006 Natural Areas Bond Measure program to acquire the five River Island

Properties without having to incur the cost associated with obtaining appraisals and appraisal reviews; now therefore,

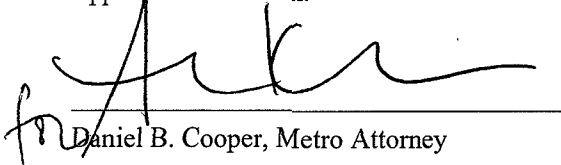
BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to acquire any or all of the five River Island Properties identified in Exhibit A without obtaining an appraisal and appraisal review, provided that the purchase price for each acquisition is no greater than \$10,000 and such acquisitions are otherwise in accord with the Acquisition Parameters and Due Diligence Guidelines of the Natural Areas Implementation Work Plan.

ADOPTED by the Metro Council this 7th day of FEBRUARY 2008.

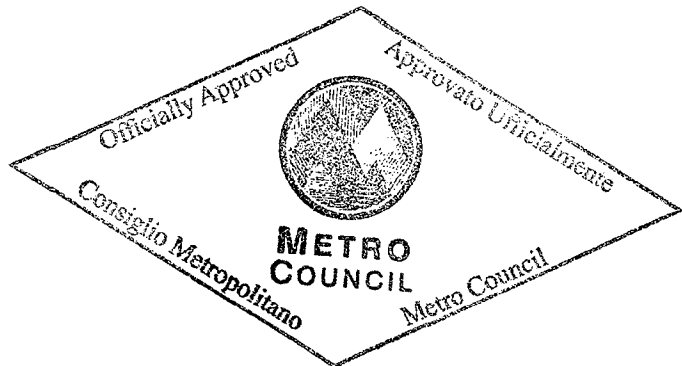


David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney



**EXHIBIT A
RESOLUTION NO. 08-3906**

**Target Area: CLACKAMAS RIVER
River Island Properties**

Description: Six parcels less than 1 acre are in holdings of the Metro property known as River Island. River Island is mostly comprised of a 160-acre former gravel-mining site located approximately midway between River Mill dam and the Willamette River. Metro in partnership with PGE, Oregon Wildlife Heritage Foundation, and Oregon Department of Fish and Wildlife, is planning a significant habitat restoration project.

Parcels: 23E23DB01000, 0.78 acres; 23E23DB00600, 0.53 acres;
23E23DB00500, 0.54 acres; 23E23DB00400, 0.54 acres;
23E23DB00200, 0.52 acres; 23E23DB00100, 0.99 acres



STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 08-3906, AUTHORIZING THE CHIEF OPERATING OFFICER TO PURCHASE CERTAIN PROPERTIES IN THE CLACKAMAS RIVER BLUFFS AND GREENWAY TARGET AREA UNDER THE 2006 NATURAL AREAS BOND MEASURE

Date: February 7, 2008

Prepared by: Kathleen Brennan-Hunter

BACKGROUND

Metro staff has entered contracts to purchase two of five separate parcels identified for acquisition in the 2006 Natural Areas Bond Measure Clackamas River Bluffs and Greenway Target Area Refinement Plan as Tier 1 priorities and (the "Properties") more clearly identified on the attached Exhibit A.

The subject properties are in holdings of Metro property known as River Island. River Island is a 160-acre former gravel-mining site located approximately midway between River Mill dam and the Willamette River. It was acquired by Metro September 17, 1999. River Island includes island and mainland property which was divided by the 1996 Clackamas River flood. The resulting change in the river channel isolated the properties.

Metro has previously pursued the Properties and has recently renewed its interest in light of proposed restoration at River Island. With potential partners of PGE, Oregon Wildlife Heritage Foundation, and Oregon Department of Fish and Wildlife, restoring this entire site will be the largest single restoration project to occur on Metro properties. The Properties are within the project area and are essential to optimally restore the site as a complete wildlife habitat unit.

Each of the five Properties is isolated, has limited public access and development potential, and is less than an acre in size; Metro staff has already negotiated the purchase of two of the five Properties, each for a purchase price of \$5,000 (approximately \$5,000 to \$10,000 per acre). The cost of obtaining an appraisal and appraisal review for each of the five Properties would likely cost approximately \$3,000 per property due to the particular nature and size of the five River Island Properties, and due to the fact that each of the River Island Properties acquisitions will be for a purchase price of \$10,000 or less, it is in the best interest of the 2006 Natural Areas Bond Measure program to acquire the five Properties without having to incur the cost associated with obtaining appraisals and appraisal reviews.

This authorization assumes that the purchases will meet all other terms of the Acquisition Parameters and Due Diligence Guidelines of the 2006 Natural Areas Implementation Work Plan on matters such as environmental audit and title. Resolution No. 08-3906 requests authorization for Metro to purchase the Properties for up to \$10,000 each without an appraisal verifying value.

ANALYSIS/INFORMATION

1. Known Opposition

None.

2. Legal Antecedents

Resolution No. 06-3672B, "For the Purpose of Submitting to the Voters of the Metro Area a General Obligation Bond Indebtedness in the Amount of \$227.4 Million to Fund Natural Area Acquisitions and Water Quality Protection," adopted on March 9, 2006.

The voters' approval of Metro's 2006 Natural Areas Bond Measure at the general election held on November 7, 2006.

Resolution No. 07-3766A "Authorizing the Chief Operating Officer to Purchase Property With Accepted Acquisition Guidelines as Outlined in the Natural Areas Implementation Work Plan," adopted by the Metro Council on March 1, 2007, established the Acquisition Parameters and Due Diligence Guidelines for the purchase of properties as part of the 2006 Natural Areas Bond Program.

3. Anticipated Effects

Assuming that no unusual circumstances arise, Metro will close on the purchase of these properties and will own 100% fee title in the properties.

4. Budget Impacts

The Properties will be purchased utilizing 2006 Regional Bond proceeds. Landbanking and future management costs will be borne by Metro.

RECOMMENDED ACTION

The Chief Operating Officer recommends passage of Resolution No. 08-3906.