

BEFORE THE METRO COUNCIL

AUTHORIZING THE CHIEF OPERATING OFFICER
TO PURCHASE PROPERTY IN THE WILLAMETTE
NARROWS AND CANEMAH BLUFF TARGET AREA
UNDER THE 2006 NATURAL AREAS BOND
MEASURE AND SUBJECT TO UNUSUAL
CIRCUMSTANCES

RESOLUTION NO. 09-4020

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 Measure 26-80, the 2006 Natural Areas Bond Measure submitted to the voters to preserve natural areas and clean water and protect fish and wildlife (the “Measure”); and

WHEREAS, on March 1, 2007, the Council approved 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,” (the “Acquisition Parameters and Due Diligence Guidelines”); and

WHEREAS, on September 6, 2007, the Council approved Resolution No. 07-3858, “Approving the Natural Areas Acquisition Refinement Plan for the Willamette Narrows and Canemah Bluff Target Area,” establishing the protection of “the unique biological, geological and scenic values of this area” and allowing for public use of the area as the goal of the target area; and

WHEREAS, Resolution No. 07-3858 established as a Tier I Objectives the acquisition of “lands to extend public ownership of forested Bluff and protect scenic views of Canemah Bluff from the river and nearby publicly owned lands,” and the acquisition of “property adjacent to existing public holdings that are essential to the establishment and management” of the natural area; and

WHEREAS, the Acquisition Parameters and Due Diligence Guidelines provide that the purchase price for property must be no more than the market value of the property as confirmed by an independent review appraiser in review of an appraisal prepared by an independent certified appraiser, and that such market value must not rely on any extraordinary assumptions in the appraisal; and

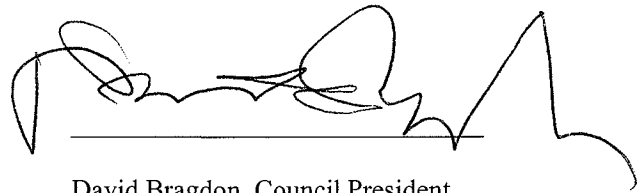
WHEREAS, staff have entered into a purchase and sale agreement with the owner of a property located on Canemah Bluff and identified as a Tier I objective in the target area, as more particularly identified and described on Exhibit A to this resolution (hereinafter, the “Property”), but the appraisal of the Property relied upon two extraordinary assumptions regarding issues related to difficult accessibility to the property; and

WHEREAS, the review appraiser has concluded that the market value of the Property is within a range of values, and the owners of the Property have agreed to sell the Property to Metro for a purchase price equal to the value at the high end of such range; and

WHEREAS, the Property meets the goals and Tier I objectives for acquisition within the Willamette Narrows and Canemah Bluff Target Area; now, therefore

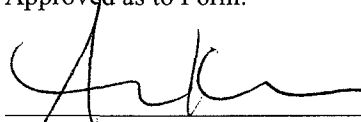
BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to acquire the Property, as identified in Exhibit A, at the negotiated purchase price, notwithstanding that the appraisal and appraisal review of the Property relied upon extraordinary assumptions, provided that the acquisition is otherwise in accord with all of the Acquisition Parameters and Due Diligence Guidelines of the Natural Areas Implementation Work Plan.

ADOPTED by the Metro Council this 26 day of Feb. 2009.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney

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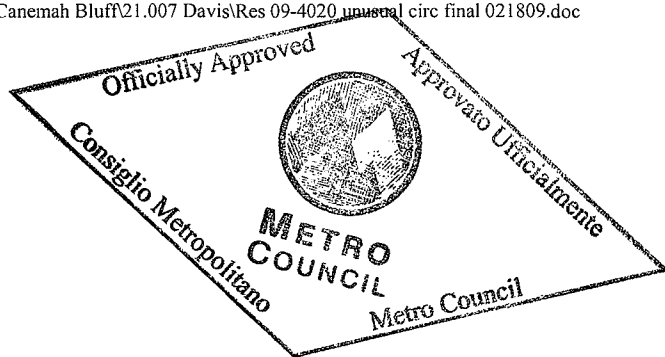


Exhibit A to Resolution No. 09-4020

**Target Area: WILLAMETTE NARROWS AND CANEMAH BLUFF
Davis Property**

Description: Staff has identified an opportunity to protect 24.3 acres of property including forested bluffs and rock outcroppings. The property is adjacent and to the east of the Metro Canemah Bluffs Natural Area property, on the west side of the Willamette River at Oregon City (“Davis Property”).

The Davis Property is zoned R-10, however some development challenges make the most likely development of the property in the near term to be use for two home-sites.

The eastern half of the Davis Property is dominated by big-leaf maple and alder, after some previous logging. This portion will benefit from control of invasive plants such as holly and ivy as well as management of the hardwoods to allow regeneration of oak and Douglas-fir. The western portion adjacent to Metro property is in good condition with a mix of Douglas-fir, Oregon white oak, and Madrone as well as big leaf maple and alder. Purchase of the Davis Property would expand and protect white oak habitat in the Canemah Bluff area, provide a buffer for the ongoing restoration on the existing Metro properties, and potentially improve access control in the area.

The acreage goal for Canemah Bluffs in the 1995 Bond Measure was 390 acres, with 134 acres ultimately protected using 1995 Bond Measure funds. The Willamette Narrows and Canemah Bluff Target Area goals are focused on acquiring properties adjacent to Metro’s established natural area properties. The Davis Property is one of a handful of key properties identified as priorities in this target area.

- Bond Criteria Addressed:**
- Ecological benefit of aggregating parcels and creating connections with existing protected areas
 - Identified in refinement plans for the Willamette Narrows and Canemah Bluff Target Area as a regionally significant area of natural and cultural resources due to biological, geologic and scenic values.
 - Protects rare white oak – pacific Madrone habitat
 - There has been strong and active community support of the Canemah Bluff natural area

Property identification:

Sellers: Private Party

Size: 24.3 acres

Conditions: Standard due diligence; subject to unusual circumstance re: extraordinary assumptions in the appraisal

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 09-4020 AUTHORIZING THE CHIEF OPERATING OFFICER TO PURCHASE CERTAIN PROPERTY IN THE WILLAMETTE NARROWS AND CANEMAH BLUFF TARGET AREA UNDER THE 2006 NATURAL AREAS BOND MEASURE AND SUBJECT TO UNUSUAL CIRCUMSTANCES

Date: February 26, 2009

Prepared by: Kathleen Brennan-Hunter
503-797-1948

BACKGROUND

Metro staff has entered into an agreement with a private landowner to purchase 24.3 acres of property in the Willamette Narrows and Canemah Bluff Target Area, which property is more specifically identified on Exhibit A attached to the resolution (the “Property”). The Property is adjacent to 112 acres of Metro owned property acquired with funds from the 1995 bond measure. This 112 acres plus another 22.5 acres one tax lot east of the property comprise the Canemah Bluff area managed by Metro. The addition of the Property to Metro’s currently managed area will compliment ongoing wildlife monitoring in cooperation with the U.S. Forest Service, native plantings in cooperation with Reed College students, and a local Park Watch volunteer stewardship program involving interested neighbors.

The Metro Council adopted the Refinement Plan for the Willamette Narrows and Canemah Bluff Target Area with approval of Resolution No. 07-3858 in September 2007. The identified Tier I objective for the Canemah Bluff portion of the target area is “to acquire property adjacent to existing public holdings that are essential to the establishment and management of a publicly accessible regionally significant natural area.”

The Property is inside the urban growth boundary (“UGB”) in Oregon City and zoned R-10, but development of the property to its zoned potential is impacted by insufficient access to the site due to a steep cliff which prohibits access from adjacent residential areas to the southeast, Metro’s natural area holdings to the northeast, and forestlands outside the UGB to the southwest. Some of these factors also make it difficult to provide utility services to the property that would be required to develop it to its full capacity under the zoning.

The appraisal of the Property included two extraordinary assumptions. The first was regarding the cost to improve a driveway from Highway 99E up the hill to the property within an existing access easement, which cost was based on proposal provided by a construction firm hired by the Seller. The appraiser noted that a portion of those costs, for retaining walls and other road support, could be obviated by purchasing a wider easement from the adjoining property owner, so that the road would run along an existing logging access road. The second extraordinary assumption was regarding whether the value of timber on the property should be considered in reaching a final value conclusion, with the appraiser concluding that 80% of the timber would need to be retained on the property as an amenity to support the premium value homesites, and that the cost to remove the other 20% of the timber, removed to clear the homesites, enhance views, and construct the driveway, would likely be offset of the cost of such removal, and therefore would not add any amount to the appraiser’s value conclusion.

The review appraiser affirmed the appraisal’s conclusion, but concluded that a valuation range was appropriate, with range of \$650,000 to \$690,000.

Metro staff recommend acquisition of the Property because it will meet the goals and Tier I objectives set forth in the Willamette Narrows and Canemah Bluff Target Area Refinement Plan to secure key parcels adjacent to existing publicly protected resource areas to protect scenic views and improve management of the natural area.

ANALYSIS/INFORMATION

1. Known Opposition

None.

2. Legal Antecedents

The voters' approved Metro's 2006 Natural Areas Bond Measure at the general election held on November 6, 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," was adopted by the Metro Council on March 1, 2007, and established the Acquisition Parameters and Due Diligence Guidelines for the purchase of properties as part of the 2006 Natural Areas Bond Program.

Resolution No. 07-3858, "Approving the Natural Areas Acquisition Refinement Plan for the Canemah Bluffs and Willamette Narrows Target Area," was adopted by the Metro Council on September 13, 2007.

3. Anticipated Effects

Metro shall extend its management, including habitat restoration and protection of scenic views, of the adjacent Canemah Bluff natural area to include this 24-acre parcel.

4. Budget Impacts

Metro's contribution to the Property shall be funded utilizing 2006 Regional Bond proceeds. There is sufficient appropriation in the FY 08-09 budget for this purchase.

RECOMMENDED ACTION

The Chief Operating Officer recommends passage of Resolution No. 09-4020.