

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE) Resolution No. 13-4449
CHIEF OPERATING OFFICER TO EXECUTE)
AN AGRICULTURAL LEASE ON) Introduced by Chief Operating Officer Martha
METRO-OWNED PROPERTY) Bennett in concurrence with Council
) President Tom Hughes

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;

WHEREAS, the Wapato Lake Target Area was identified in the 2006 Natural Areas Bond Measure as one of 27 regional target areas for land acquisition;


WHEREAS, on February 6, 2012, Metro purchased approximately 153 acres of real property in the Wapato Lake Target Area (the "Property"), a 100-acre portion of which is historically agricultural and is currently harvested for hazelnuts;

WHEREAS, on April 17, 1997, the Metro Council adopted 97-2483 "For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro's Open Spaces Property Acquisitions," which provides that the Chief Operating Officer may execute agricultural leases of open spaces lands provided that the terms of such leases do not exceed one year and the lease payments do not exceed \$2,000 per month; and


WHEREAS, staff has determined that it is in the best interest of the Property for Metro to enter into a ten-year agricultural lease in order to allow the lessee to implement a hazelnut blight program to bring the existing hazelnut orchard on the Property to a healthy productive state; therefore

BE IT RESOLVED, that the Metro Council hereby authorizes the Chief Operating Officer to enter into an agricultural lease for the Property for a term of up to ten years, which lease shall be in a form approved by the Office of the Metro Attorney.


ADOPTED by the Metro Council this 15 day of August 2013.



Tom Hughes, Council President



Approved as to Form:



Alison R. Kean, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4449, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO EXECUTE AN AGRICULTURAL LEASE ON METRO-OWNED PROPERTY

Date: August 15, 2013

Prepared by: Laurie Wulf, 503-797-1554

BACKGROUND

On February 6, 2012, Metro purchased approximately 153 acres of real property in the Wapato Lake Target Area (the "Property"), a 100-acre portion of which was actively being harvested for hazelnuts at the time of Metro's purchase. The Property is located in an area where agriculture is the predominant use by surrounding landowners. This purchase is adjacent to a 350-acre Metro natural area immediately to the north, creating a 500-acre expanse of protected land.

Metro purchased the Property to provide a habitat corridor from the Tualatin River floodplain (Penstemon Prairie natural area) to the ridge (Chehalem Ridge natural area). Fifty two of the approximately 153 acres of the property are in a natural condition and currently serve as a corridor. One acre is leased for a residence, and the remaining 100 acres are a viable hazelnut orchard though it currently has eastern filbert blight that limits productivity and requires action to eradicate. Restoring the hazelnut orchard to native habitat is not an appropriate stabilization activity. The orchard was not selected as a levy project for two reasons: other equally large-scale projects were ranked as higher priorities, and the orchard is economically viable for another 10+ years under a blight control plan. Also, the Property can provide additional farming opportunities for the community and revenue for Metro. Metro staff researched blight control programs, contacted the Hazelnut Growers of Oregon, Oregon State University Extension office and also discussed blight control strategies with other hazelnut farmers in the area. Everyone advised the need to establish a blight control management plan for the orchard, as the orchard currently is minimally managed for eastern filbert blight.

Metro's Natural Areas Program is interested in soliciting proposals for a farming lease of the 100-acre hazelnut orchard. As set forth in ORS 271.310, Oregon state law allows political subdivisions to lease real property to private parties based upon finding that it is in the public interest to do so. Metro Council Resolution 97-2483, "For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro's Open Spaces Property Acquisitions," adopted by Metro Council on April 17, 1997, authorizes the Chief Operating Officer to execute leases of open spaces lands with terms of up to and including one year. Leases for terms longer than one year, or that generate lease payments over \$2,000 per month, require approval of the Metro Council, as required by Metro Code 2.04.026(a)(3).

The resolution before the Metro Council will enable staff to negotiate a 10-year lease for the orchard following a competitive process. A 10-year agricultural lease will provide the lessee farmer adequate time to implement a blight control program to bring the existing hazelnut orchard back to a healthy productive state. Regenerating a 100-acre hazelnut orchard is a long-term investment for a lessee, and adequate time is necessary to accomplish the following: good pruning practices, foliar feeding to push new growth, fertilizing, inter-planting and instituting a blight spraying program. An initial loss in profits for both Metro and the lessee farmer is expected, due to initial expenses in implementing a blight program. A longer term lease will allow time for the lessee farmer to make a return on their investment. A longer term lease will also encourage local farmers who will employ local workers to submit proposals for the lease.

Staff have determined that the proposed ten-year agricultural lease is in the public interest, because it complements Metro's long-term management needs for this area and will allow the implementation of a blight control program that is necessary to prevent spreading blight to other farms in the area.

ANALYSIS/INFORMATION

1. Known Opposition

No known opposition.

2. Legal Antecedents

ORS 271.310; Metro Code 2.04.026(a)(3); Resolution 97-2483 “For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases to Metro’s Open Space Acquisitions.”

Metro Council Resolution 97-2483, “For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro’s Open Spaces Property Acquisitions,” adopted by Metro Council on April 17, 1997.

3. Anticipated Effects

Staff will solicit proposals for a ten year agricultural lease that will allow farming practices to improve site productivity and the health of the existing hazelnut orchard, including the implementation of a blight management program.

4. Budget Impacts

Extending the lease period from one to ten years will reduce revenue for the first couple of years, but will increase revenue over the life of the lease.

RECOMMENDED ACTION

The Chief Operating Officer recommends passage of Resolution No. 13-4449.