

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 90-1205
THE EXECUTIVE OFFICER OR HER)	
DESIGNEE TO DISPOSE OF RESIDENTIAL)	Introduced by Rena Cusma,
PROPERTY BEQUEATHED TO THE METRO)	Executive Officer
WASHINGTON PARK ZOO)	

WHEREAS, Property at 6404 N. E. 35th Avenue and 6416 N. E. 35th Avenue, Multnomah County, was bequeathed to the Metro Washington Park Zoo by one Edward Gordon Emerson, Sr., deceased; and

WHEREAS, Metro Code 2.040.33 requires that the sale of Metropolitan Service District real property be approved by the Council of the Metropolitan Service District; and

WHEREAS, The property at 6404 N. E. 35th Avenue has been listed at \$39,950, an offer has been received at \$39,450, and there exists a need to expeditiously close and receive the total sale price in cash at closing; and

WHEREAS, The property at 6416 N. E. 35th Avenue has been listed for sale at \$35,950 but its sale impaired due to the lack of a foundation under the house, a final sale price of no less than \$25,000 cash at closing will be received and deemed acceptable to the Executive Officer; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District authorizes the Executive Officer or her designee to proceed with the sale of the Emerson estate property at 6404 N. E. 35th Avenue by accepting the offer of \$39,450 for the property, cash at closing.

2. That the Council of the Metropolitan Service District authorizes the Executive Officer or her designee to accept a cash price of no less than \$25,000 for the property at 6416 N. E. 35th Avenue.

ADOPTED by the Council of the Metropolitan Service District this 25th day of January, 1990.



A handwritten signature in blue ink, appearing to read 'Tanya Collier', is written over a horizontal line.

Tanya Collier, Presiding Officer

ZOO COMMITTEE REPORT

RESOLUTION NO. 90-1205, AUTHORIZING THE EXECUTIVE OFFICER OR HER DESIGNEE TO DISPOSE OF RESIDENTIAL PROPERTY BEQUEATHED TO THE METRO WASHINGTON PARK ZOO

Date: January 19, 1990

Presented By: Councilor Knowles

COMMITTEE RECOMMENDATION: At the January 18, 1990, Zoo Committee meeting, Councilors DeJardin, Ragsdale and myself voted unanimously to recommend Council adopt Resolution No. 90-1205. Councilors Gardner and McFarland were excused.

COMMITTEE DISCUSSION/ISSUES: Zoo Development Director, Ellen Lanier-Phelps presented the resolution which provides for two actions on the Emerson estate properties bequeathed to the Zoo in 1987:

1. approves the sale of property at 6404 N.E. 35th Avenue, Portland, for an offer of \$39,450, cash at closing;
2. authorizes the Executive Officer or her designee to move forward in selling the property at 6416 N.E. 35th Avenue for a cash price of no less than \$25,000.

Zoo staff briefed the former Convention, Zoo & Visitors Facilities Committee in May, 1989, of the Emerson bequest which had been contested by three of Mr. Emerson's four children, but was ruled in the Zoo's favor, January, 1989. The Committee did not raise any issues, but discussed the option of selling the properties, which are contiguous, as a single package. It was noted the second property is comprised of two lots, each valued at approximately \$11,000 by four residential realtors' estimates. On one lot, there is a single-family home of approximately 800 square feet with no foundation and deemed as a "white elephant" by the realtors. A shed with no electricity spans both lots. Ms. Lanier-Phelps noted the real estate agents advised the Zoo the properties' values would decline due to negative media attention focussed on Portland's inner northeast neighborhoods. The Committee agreed it was appropriate to proceed with the recommended sales to reduce any potential liability and to secure as good a deal as possible for the Zoo.

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STAFF REPORT

FOR THE PURPOSE OF ALLOWING FOR THE SALE OF EMERSON ESTATE PROPERTY

January 16, 1990

Presented by: Ellen Lanier-Phelps

FACTUAL BACKGROUND AND ANALYSIS

Edward Gordon Emerson, Sr. died on November 7, 1987, leaving his entire estate to the Washington Park Zoo. In a will dated August 1, 1984, he directed that all his property be "used equally for the care, study, and general welfare of the elephants and the primates." Simultaneously, in preparing his will, he acknowledged having four children, to whom he left nothing. First Interstate Bank was appointed personal representative of the estate. The zoo was notified of Emerson's death on November 20, 1987 and given the estimated value of the estate at around \$90,000, including both real and personal property. The assets largely were in two pieces of real estate in N.E. Portland, valued together at a total taxable figure of \$87,400.

On November 25th, First Interstate Bank declined its role as Personal Representative, due to the threat of a will dispute and the low value of the estate. In ensuing weeks, the Metropolitan Service District, Rena Cusma, Executive Director, was named the new Personal Representative. Ellen Lanier-Phelps, the Zoo Development Director, was authorized to act as the agent of the Personal Representative in connection with the administration, management, supervision, and control of all estate property and assets. Attorney Lawrence Gorin was hired by Metro to oversee the closing and probate matters of the estate.

In February, 1988, an estate sale was held to dispose of Emerson's personal belongings. Funds from that sale, amounted to a gross sale total of \$7,129. These funds were combined into an interest-bearing account with funds deposited from checking and credit union accounts. Because of the threat of a will contest, the two real estate pieces were left unsold until the filing deadline was passed for the dispute.

On April 7th, 1988, three of Emerson's four children filed a petition contesting the will of Edward Emerson, and a lengthy legal process was begun. An original tenant was evicted by the Zoo from the smaller of the two houses, due to non-payment of rent and other bills. Ultimately, two new tenants were housed in the Emerson houses, in order to generate revenue and keep the properties secure during the legal process. The children refused to proffer or negotiate a settlement, and the issue came before Judge Lee Johnson on December 12, 1988.

In January, 1989, Judge Johnson rendered an opinion favoring the validity of the will, therefore enabling the Zoo to proceed with the closing of the probate process of the estate. April 19th, the estate was closed and assets passed into the hands of Metro.

To date, \$25,143. has been deposited into Metro accounts for the Zoo from the estate. Working with Neil Saling of the Metro Finance and Administration Section, we began the process of selling the two residential properties. To do so, three comparative market analyses were requested from real estate agents specializing in the Northeast area

of Portland. Stan Wiley Realtors was selected and a standard Oregon Multiple Listing signed.

At this time, the two pieces are listed separately and are currently on the market at \$39,950 and \$35,950. We have received an offer on 6404 NE 35th for \$39,450; because it closely meets our asking price, we feel it is important to move forward quickly to facilitate the sale of this property.

The second piece includes a small house that does not have a foundation. Because of this, we have found that there does not seem to be any way for a potential buyer to obtain conventional financing for the purchase of this property. Several potential buyers have expressed interest in the piece but have been unable to come up with cash for the asking price. Advice from professional realtors indicates that we will need to lower the asking price considerably to sell the property. Initial indications are that we are looking at a figure closer to \$25,000 as an obtainable selling cost. Because we estimate \$25,000 to be the lowest acceptable offer on the 6416 NE 35th piece, we would like to move ahead in efforts to sell this property and close out the Emerson estate completely.

Council approval is needed on the sale of these properties. Because the nature of the sales is that of a standard residential/house sale, there is a very limited period of time in which to consider and accept or refuse a potential buyer's offer. In order to be able to function within this process, we, therefore, seek approval on the sale of these properties.

Staff requests that Council authorize the Executive Director or her designate to proceed with the sale of these two small residential properties. Metro and zoo administration have screened and evaluated all offers, measuring their ability to meet the asking price and sale requirements. We feel we have received a valid offer for the 6404 NE 35th house and deem it acceptable. We will follow the same process for the second of the pieces, and we would like to be able to proceed with the closure of the one sale now and a future sale when our requirements are met.

Executive Officer's Recommendation

The Executive Officer recommends approval of Resolution No. 90-1205.

STAFF REPORT

FOR THE PURPOSE OF ALLOWING
FOR THE SALE OF EMERSON ESTATE PROPERTY

May 16, 1989

Presented by: Ellen Lanier-Phelps

FACTUAL BACKGROUND AND ANALYSIS

Edward Gordon Emerson, Sr. died on November 7, 1987, leaving his entire estate to the Washington Park Zoo. In a will dated August 1, 1984, he directed that all his property be "used equally for the care, study, and general welfare of the elephants and the primates." Simultaneously, in preparing his will, he acknowledged having four children, to whom he left nothing. First Interstate Bank was appointed personal representative of the estate. The zoo was notified of Emerson's death on November 20, 1987 and given the estimated value of the estate at around \$90,000, including both real and personal property. The assets largely were in two pieces of real estate in N.E. Portland, valued together at a total taxable figure of \$87,400.

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In January, Judge Johnson rendered an opinion favoring the validity of the will, therefore enabling the Zoo to proceed with the closing of the probate process of the estate. April 19th, the estate was closed and assets passed into the hands of Metro.

At this time, \$25,443. has been taken from the closed estate accounts and deposited into Metro accounts for the Zoo, and we have begun the process of selling the two residential properties. To do so, three comparative market analyses were requested from real estate agents specializing in the Northeast area of Portland. Karen Madsen of

Stan Wiley Realtors was selected and a standard Oregon Multiple Listing signed. The two pieces were listed separately at \$43,950 and \$41,950.

Through the market analysis process, we sought input as to what minimal repairs needed to be made on the houses to make them saleable. Bids for an outside personal contract have been solicited by the Zoo's Facilities Management Division to carry out this work, with a low bid of approximately \$750 the first in. We intend to undertake these repairs at the conclusion of the bid process.

Council approval is needed on the sale of these properties. Because the nature of the sale will be that of a standard residential/house sale, there will be a very limited period of time in which to consider and accept or refuse a potential buyer's offer. In order to be able to function within this process, we, therefore, need to develop a streamlined process of council approval on the sale of these properties.

Staff requests allowance for the sale of these two small residential properties. Metro and zoo administration will screen and evaluate all offers, measuring their ability to meet the asking price and sale requirements. When a valid offer is obtained and deemed acceptable, staff would like to bring the offer before the council through a phone vote process.

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