

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING THE ) Resolution No. 92-1655  
EXECUTION OF A SALE AGREEMENT WITH )  
INTEL CORPORATION FOR ACQUISITION OF ) Introduced by Rena Cusma,  
PROPERTY AT SOUTHWEST 209TH AND ) Executive Officer  
TUALATIN VALLEY HIGHWAY )

WHEREAS, in October 1986, Metro purchased a tract of land located at the intersection of Southwest 209th Avenue and Tualatin Valley Highway consisting of 8.26 acres for \$918,382.76; and

WHEREAS, in April 1991 the Council of the Metropolitan Service District authorized the lease of the above land to Intel Corporation; and


WHEREAS, the Metropolitan Service District finds the above land surplus to its needs; and

WHEREAS, the Intel Corporation desires to enter into an agreement to purchase the above property at an agreed price before September 1, 1992 in accordance with the provisions of the attached Sale Agreement; NOW THEREFORE,

BE IT RESOLVED, that

The Council of the Metropolitan Service District authorizes the Executive Officer to enter into the Sale Agreement with Intel Corporation attached at Attachment A.

ADOPTED by the Council of the Metropolitan Service District this  
13th day of August, 1992.

  
\_\_\_\_\_  
Jim Gardner, Presiding Officer

**INTEL CORPORATION AND METROPOLITAN SERVICE DISTRICT  
AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS**

This purchase agreement ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 1992, ("Effective Date"), by and between Metropolitan Service District, a municipal corporation and public body of the state of Oregon ("Seller"), and Intel Leasing Corporation, a wholly-owned subsidiary of Intel Corporation (a Delaware corporation) ("Buyer"), with escrow instructions to Chicago Title ("Escrow Holder").

**RECITALS**

- A. Seller is the owner of approximately 8.26 acres of real property, located at the southeast corner of S.W. 209th and Tualatin-Valley Highway, in Aloha, Oregon, Washington County, state of Oregon, as more particularly described in Exhibit "A" attached hereto ("Property").
- B. Seller and Buyer are parties to a lease for the Property dated May 3, 1991 ("Lease").
- C. Buyer now desires to purchase from Seller and Seller desires to sell to Buyer the Property.

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**1.0 PURCHASE AND SALE.**

Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property upon the terms and conditions set forth in this Agreement.

**2.0 PURCHASE PRICE.**

**2.1 Purchase Price.** The total purchase price for the Property shall be one million dollars and no cents (\$1,000,000) ("Purchase Price").

**2.2 Payment of Purchase Price.**

(a) **Deposit.** Buyer shall deposit with Escrow Holder a promissory note in the form attached hereto as Exhibit "B" in the amount of thirty thousand dollars and no cents (\$30,000) ("Deposit"). The note shall be held by Escrow Holder until Buyer's contingencies set forth in paragraph 4.0(a) have been removed. At that time Buyer will replace the note with cash in like amount. Escrow Holder will place the Deposit in an interest bearing account. The Deposit and interest shall be applicable to the Purchase Price upon the Closing Date.

(b) **Remaining Portion of Purchase Price.** On or after the close of escrow, buyer shall deposit into escrow immediately available funds such that the sum of such funds and the Deposit equals the Purchase Price, along with such additional funds, if any, as may be required to pay Buyer's share of prorations and closing costs, if any, pursuant to the terms hereof.

**3.0 TITLE TO PROPERTY AND TITLE INSURANCE.**

At the closing Seller shall convey to Buyer fee simple title to the Property by execution and delivery of a statutory warranty deed, subject only to nondelinquent real property taxes and such other matters which may be acceptable to Buyer. On the Closing Date, Buyer shall receive from Escrow Holder an ALTA extended coverage

title insurance policy in the amount of the Purchase Price insuring title vested in Buyer or its nominees, subject only to the exceptions shown in the preliminary title report to which Buyer did not object pursuant to paragraph 4 hereof.

**4.0 BUYER'S CONTINGENCIES.**

Buyer's obligation to purchase the Property is expressly conditioned upon fulfillment prior to the closing of each of the following conditions:

(a) **Title Report.** Buyer shall have received and approved a preliminary title report covering the Property and copies of all exceptions to title listed therein. Buyer shall have ten (10) days after receipt of the preliminary title report within which to notify Seller of Buyer's disapproval of any exceptions shown in the title report. In the event of such disapproval, Seller shall have until the close of escrow within which to attempt to eliminate any disapproved exceptions from the policy of title insurance to be issued in favor of Buyer. Failure of Buyer to disapprove any exceptions within said ten (10) business days shall be deemed an approval of the preliminary title report; and

(b) **Representations.** The Seller's representations and warranties contained in this Agreement are true and correct as and when made.

If any of the foregoing conditions are not satisfied, Buyer shall have the right at its sole election to either waive the condition in question and proceed with the purchase of the Property or, in the alternative, to terminate this Agreement with no liability to Seller.

5.0 CLOSING AND ESCROW.

5.1 Escrow. Escrow has been opened with the Escrow Holder for the consummation of this transaction. Buyer and Seller shall deliver a fully executed copy of this Agreement to the Escrow Holder. Buyer and Seller agree to execute such additional or supplementary escrow instructions as may be appropriate to implement the terms of this Agreement and to close this transaction.

5.2 Closing Date. This transaction shall close on or before September 1, 1992 ("Closing Date").

6.0 DELIVERIES TO ESCROW HOLDER.

6.1 By Seller. On or before the Closing Date, Seller shall deliver the following into escrow:

- (a) Deed. A statutory warranty deed, duly executed and acknowledged in recordable form by Seller, conveying the Property to Buyer or its nominees subject only to nondelinquent property taxes and other matters which may be acceptable to Buyer.
- (b) FIRPTA Affidavit. An affidavit to Buyer certifying that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code, in the form required by that statute and related regulations.
- (c) Proof of Authority. Such proof of Seller's authority and authorization to enter into this Agreement and consummate the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing and/or

delivering any instruments, documents, or certificates on behalf of Seller to act for and bind Seller, as may be reasonably required by the Escrow Holder and/or Buyer.

6.2 By Buyer. On or before the Closing Date, Buyer shall deliver the following into escrow:

- (a) Purchase Price. The Purchase Price in accordance with paragraph 2 of this Agreement.
- (b) Lease Payments. All amounts remaining due from Buyer to Seller under the Lease agreement between the parties dated May 3, 1991.
- (c) Prorations. The amount due Seller, if any, after the prorations are computed in accordance with paragraph 8.0 of this Agreement.

#### 7.0 CLOSING COSTS.

Buyer shall pay for all premiums for the title insurance policy. Buyer and Seller shall each pay one-half (1/2) of all of the Washington County transfer tax, all escrow fees and costs, and the fee for recording the deed. Buyer and Seller shall each pay its own legal and professional fees and fees of other consultants incurred by Buyer and Seller.

#### 8.0 PRORATIONS AND ADJUSTMENTS.

General. All revenues and all expenses of the Property, including presently existing taxes, assessments, and improvement bonds shall be prorated as of the Closing Date.

**9.0 DISBURSEMENTS AND OTHER ACTIONS BY ESCROW HOLDER.**

At closing, the Escrow Holder shall do the following:

- (a) **Funds.** Disburse all funds deposited with Escrow Holder by Buyer in payment of the Purchase Price as follows:
  - (1) Deduct all items chargeable to the account of Seller pursuant to paragraph 8.0.
  - (2) Disburse the balance of the Purchase Price to Seller promptly upon closing.
  - (3) Disburse the remaining balance of the funds, if any, to Buyer promptly upon closing.
- (b) **Recording.** Cause the deed and any other documents which the parties hereto may mutually direct to be recorded in the official records of Washington County and obtain conformed copies thereof for distribution to Buyer and Seller.
- (c) **Title Policy.** Direct Chicago Title to issue the title policy to Buyer.
- (d) **Disbursement of Documents to Buyer.** Disburse to Buyer the FIRPTA affidavit, the deed after recordation thereof, and any other documents (or copies thereof) deposited into escrow by Seller pursuant hereto.

**10.0 REPRESENTATIONS AND WARRANTIES OF SELLER.**

In addition to any express agreements of Seller contained herein, the following constitute covenants, representations, and warranties of Seller to Buyer:

- (a) Seller's Authority. Seller is a duly organized and validly existing Metropolitan Service District under the laws of the state of Oregon and is in good standing under the laws of the state of Oregon; this Agreement and all documents executed by Seller which are to be delivered to Buyer are or at the closing will be duly authorized, executed, and delivered by Seller, and are or at the closing will be legal, valid, and binding obligations of Seller and do not and at the closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which it is a subject.
- (b) Real Estate and Legal Matters.
- (1) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code.
  - (2) There is no litigation, claim, arbitration, pending or to the best of Seller's knowledge, threatened, with regard to the Property or its operation.
  - (3) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the best of Seller's knowledge, threatened against Seller nor are any of such proceedings contemplated by Seller.
  - (4) Seller is the legal fee simple titleholder of the Property and has good, marketable, and insurable title thereto, free and clear of all liens, encumbrances, claims, covenants, conditions, restrictions, easements,



rights of way, options, judgments, or other matters, except as disclosed by the preliminary title report.

(c) Compliance with Laws. Seller represents, warrants, and covenants as follows:

- (1) No action is pending against Seller regarding any state or federal environmental standards or requirements as they pertain to the Property.
- (2) Other than matters of which Buyer is aware, including matters related to Hazardous Materials on the site, a recent fuel spill, and the presence of regulated wetlands on the Property, there is not any violation of any other law, ordinance, rule, or administrative or judicial order affecting the Property, nor is there any condemnation, zoning change, or other proceeding or action pending, threatened, or contemplated by any governmental body, authority, or agency that will in any way affect the size of, use of, improvements on, construction on, or access to the Property.
- (3) Buyer has performed its own tests and studies of the Property and, to the extent of those tests and studies, has knowledge of the environmental condition of the Property, and the presence or absence of wetlands and of any Hazardous Materials on or in the Property. Buyer was also a previous owner of the Property, currently leases the Property, and has knowledge of the Property through its current Lease and previous ownership. Seller does not, therefore, extend any

representations, warranties or covenants regarding the Property, the extent to which the Property may be developed, or compliance with state, federal or local environmental standards or requirements. No express or implied warranties, guarantees, or representations have been made by Seller regarding the environmental condition of the Property, condition of structures on the Property, or Hazardous Materials on or in the Property. Seller has made no agreement or promise to alter, repair, or improve the Property, and Buyer takes the Property in the condition, known or unknown, existing at the time of this Agreement.

(4) The term "Hazardous Materials" as used in this Agreement shall include, without limitation, asbestos, gasoline, petroleum products, explosives, radioactive materials, polychlorinated biphenyls or related or similar materials, or any other substance or material defined as a hazardous or toxic substance or material by any federal, state, or local law, ordinance, rule, or regulation.

(d) General Representation and Indemnity. Seller's representations and warranties contained herein are true and accurate, and are not misleading. Seller's representations and warranties contained herein shall be continuing and shall be true and correct as of the date of closing. Seller agrees to defend, indemnify, and hold Buyer harmless from all claims, damages, costs and expenses (including attorneys' fees) attributable, directly or indirectly, to the breach by Seller of any obligation hereunder or the inaccuracy of any

representation or warranty made by Seller herein or in any instrument delivered pursuant hereto or in connection with the transaction contemplated hereby.

**11.0 BUYER'S REPRESENTATION AND WARRANTIES.**

In addition to any express agreements of Buyer contained herein, the following constitute representations and warranties of Buyer to Seller:

Buyer is a corporation duly organized and validly existing under the laws of the state of Delaware and is in good standing under the laws of the state of Oregon; this Agreement and all documents executed by Buyer which are to be delivered to Seller at the closing are or at the closing will be duly authorized, executed, and delivered by Buyer, and are or at the closing will be legal, valid, and binding obligations of Buyer, and do not and at the closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

**12.0 RISK OF LOSS; CONDEMNATION.**

In the event all or any material portion of the Property is damaged, destroyed, or condemned or threatened with condemnation prior to the closing, Buyer may terminate this Agreement. In such event escrow will be terminated and this Agreement shall have no further force or effect whatsoever. If a nonmaterial portion of the Property is destroyed or condemned prior to closing, Buyer may elect to

terminate this Agreement or to close this transaction as provided for herein, including payment to the Seller of the Purchase Price.

13.0 NOTICES.

Any notice, instruction, or communication required or permitted to be given under this Agreement to either party shall be in writing (which may include telex, telegram, telecopier, or other similar form of reproduction) and shall be deemed given when actually received or, if earlier, five days after deposit in the United States Mail by certified or express mail, return receipt requested, postage prepaid, addressed to such party at the following address:

To Buyer: Intel Corporation  
2200 Mission College Blvd., M/S RN4-01  
Santa Clara, CA 95052-8119  
Attn: Suzanne Rogers  
FAX: (408) 765-1809

To Seller: Metropolitan Service District  
2000 S.W. First Avenue  
Portland, OR 97201-5398  
Attn: Todd Sadlo  
FAX: (503) 273-5554

To Escrow Holder: Barbara Campbell  
Chicago Title Insurance Company of Oregon  
Pioneer Tower, Suite 930  
888 S.W. Fifth Avenue  
Portland, OR 97204

Either parties may change its address for purposes of this section by giving the other party written notice of the new address in the manner set forth above.

**14.0 BROKER.**

Buyer shall pay a brokerage commission to Coldwell Banker Commercial Group, Inc. in connection with this transaction in accordance with the terms of a separate agreement. Buyer and Seller hereby acknowledge that no other broker's commission or finder's fee is payable in connection with the sale of the Property. Buyer and Seller each agree to indemnify, hold harmless, and defend the other from and against all liability, claims, demands, damages, or costs of any kind arising from or connected with any broker's or finder's fee claimed to be due any person arising from any statement, representation, or agreement made by the indemnitor with respect to this transaction.

**15.0 DOCUMENTS.**

Buyer and Seller agree to execute such additional instruments and documents and to take all actions pursuant to the provisions hereof as may be necessary or appropriate to consummate the transaction herein contemplated.

**16.0 ASSIGNMENT.**

Buyer shall have the right to assign its rights and obligations under this Agreement to any wholly-owned subsidiary without the prior consent of Seller.

**17.0 LEGAL AND EQUITABLE ENFORCEMENT OF THIS AGREEMENT.**

**17.1 Default by Seller.** In the event the close of escrow and the consummation of the transaction herein contemplated do not occur as the result of a default by Seller, Buyer shall be entitled to recover the earnest money from Seller, and shall have the right to pursue any other remedy available to it at law or equity, including the specific performance of this Agreement.

**17.2 Default by Buyer.** In the event the close of escrow and the consummation of the transaction herein contemplated do not occur as a result of a default by Buyer, Buyer and Seller agree that Seller's sole and exclusive remedy (whether at law or in equity) shall be the right to retain the deposit.

**18.0 MISCELLANEOUS.**

**18.1 Partial Invalidity.** If any term or provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**18.2 Waivers.** No waiver by a party of any provision of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision, including the time for performance of any such provision.

**18.3 Survival.** All warranties, covenants, and other obligations contained in this Agreement shall survive delivery of the deed.

- 18.4 Successors and Assigns. This Agreement inures to the benefit of and is binding upon the parties and their permitted successors and assigns.
- 18.5 Attorneys' Fees. If either party files any action or brings any proceeding against the other arising out of this Agreement, or is made a party to any action or proceeding brought by the Escrow Holder, then in that event, the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the suit, including attorneys' fees.
- 18.6 Entire Agreement. This Agreement (including any exhibits attached hereto) constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, and agreements with respect thereto. This Agreement may not be modified, changed, supplemented, or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.
- 18.7 Captions. The captions heading each paragraph and subparagraph of this Agreement are for the convenience of the parties and shall not be considered to limit, expand, or define the contents of the respective paragraphs.
- 18.8 Assignment. Buyer may assign this Agreement to a wholly-owned subsidiary without Seller's consent.
- 18.9 Governing Law. This Agreement shall be governed by and construed according to the laws of the state of Oregon.

18.10 Statutory Notice. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE. THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year hereinabove written.

BUYER:

SELLER:

INTEL LEASING CORPORATION,  
a Delaware corporation

METROPOLITAN SERVICE DISTRICT,  
a municipal corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
Intel Leasing Corporation Attorney

\_\_\_\_\_  
Metro General Counsel

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 91-1535, FOR THE PURPOSE OF AUTHORIZING THE EXECUTION OF AN OPTION AGREEMENT WITH INTEL CORPORATION

Date: December 2, 1991

Presented by: Neil Saling

Background

In October 1986, Metro purchased a tract of land consisting of approximately 8.26 acres from Intel Corporation for a sum of \$810,000. That tract of land, located at the intersection of Southwest 209th Avenue and Tualatin Valley Highway, was to be the site for the Metro West Transfer Station. The property came with two tenants whose leases on 1.21 acres were continued until this year. Metro paid taxes only on those portions of the property occupied by the tenants.

In April 1991, the Council authorized through Resolution No. 91-1423 the lease of the entire tract to Intel Corporation. Although Intel desired to purchase the property, the Executive Officer was unwilling to relinquish title to the property until such time as the establishment of a Metro West Transfer Station (or Stations) was resolved between Metro and Washington County.

During the term of its lease, Intel has determined that approximately 1.5 acres of the property are wetlands which must be accommodated by any construction on the site. The wetlands determination was made by CH2M-Hill in conjunction with Intel planning for utilization of the tract. There is no evidence in Metro records of the recognition of these wetlands at the time of the Metro purchase.

Analysis

The proposed Option Agreement which has been negotiated with Intel Corporation would permit purchase of the property during the initial eight months of the option for a sum of nine hundred twenty-five thousand dollars (\$925,000). After that period and until April 1, 1993, the purchase price would be \$970,000. Payments made by Intel to Metro under the existing lease agreement would be applied to the purchase price.

The original purchase price for the tract was \$2.25 per square foot; the proposed sale price is \$2.57 per square foot. Evaluation of 175 industrial land sales in Southwest Portland through October 1991 shows no clear trends in land cost. A summary of these sales is shown below:

Southwest Portland Land Sales  
(Dollars per Square Foot)

	All Sales	Unimproved Property
1986	2.64	1.74
1987	2.22	1.79
1988	2.15	1.45
1989	1.90	1.76
1990	2.17	1.40
1991	2.03	1.90
<b>TOTAL</b>	<b>2.14</b>	<b>1.69</b>

Based upon the location, orientation and level of improvement, the proposed sale price appears fair and appropriate. The Executive Officer believes that the utility of the land as an alternate location for a Metro West Transfer Station has now diminished to the point that the land can be considered excess to Metro's needs.

Recommendation

The Executive Officer recommends approval of Resolution No. 91-1535



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

To: Councillor Tanya Collier, Presiding Officer  
From: Councillor Judy Wyers, Chair, Solid Waste Committee  
Date: December 18, 1991  
Re: Referral of Resolution No. 91-1535

Resolution No. 91-1535 was originally referred to the Solid Waste Committee for its consideration. The resolution proposes that Metro enter into an option agreement with Intel Corporation, under which Intel would have the exclusive right to buy a parcel of property that Metro had purchased at a possible transfer station site. The parcel is located at 209th and Tualatin Valley Highway in Washington County.

The Solid Waste Committee considered the resolution at the December 17 meeting. After discussion with staff, the committee members agreed that it was no longer necessary for Metro to retain the property as a possible transfer station site. But during the committee's review, several issues were raised concerning financial aspects of the proposed option agreement. These issues included:

- 1) whether Metro should obtain an independent appraisal of the property prior to entering into a sale option agreement,
- 2) concern that the proposed sale price was near the low end of the estimated per square foot value for the land provided in a "broker's opinion" solicited by Metro,
- 3) concern that Metro was permitting Intel to apply all of its current lease payments for the property toward reducing the purchase price, and
- 4) a general concern that Metro's ultimate sale price may not be much higher than the original purchase price.

As a result of these concerns, I would appreciate if you would refer the resolution to the Finance Committee for further consideration. The Solid Waste Committee unanimously supports this request.

## FINANCE COMMITTEE REPORT

RESOLUTION NO. 92-1655 AUTHORIZING THE EXECUTION OF A SALE AGREEMENT WITH INTEL CORPORATION FOR PROPERTY AT SW 209TH AND TUALATIN VALLEY HIGHWAY

Date: August 7, 1992

Presented By: Councilor Hansen

**COMMITTEE RECOMMENDATION:** At it's August 6, 1992 meeting the Committee voted 3 to 1 to recommend Council adoption of Resolution No. 92-1655. Voting in favor of the recommendation were Councilors Devlin, Hansen and Van Bergen. Voting against was Councilor Gardner. Councilor Wyers was excused.

**COMMITTEE ISSUES/DISCUSSION:** Chairman Van Bergen introduced the resolution by stating that the matter was referred to the Finance Committee by the Solid Waste Committee after that Committee determined that there was no longer a need for the property for solid waste purposes. He said the Finance Committee needs to focus on two questions -- 1) is there a need for this property for any other District purpose; and 2) is this a good financial deal for the District.

Neil Saling, Regional Facilities Director, presented information in response to the questions. Regarding the need for the property Mr. Saling referred to a memo from the Pat Lee, Regional Planning Supervisor, which states that the property is not of regional significance as a natural area for the Greenspaces Program (see Attachment 1 to this report). While the memo suggests policy options for the use of the proceeds of the sale of the land for Greenspaces purposes, Committee members agreed that such consideration should not be part of the decision on the sale of the property.

In regard to the question on the financial deal, Mr. Saling distributed a memo which summarized the various financial considerations for the property (see Attachment 2 to this report). These include the Districts original purchase price for the property (\$918,383); appraisals ranging from \$678,200 to \$1,300,000; the proposed sale price (\$1,000,000); the current estimate of lease revenues to date (\$60,000); and the estimated closing costs (\$3,000). Mr. Saling indicated other numbers not included in the memo were the proposed sale price negotiated in December 1991 (Resolution No. 91-1535 tabled by the Finance Committee) of \$925,000 for the first eight months and \$975,000 there after up to April 1, 1993.

In response to questions from the Committee, Mr. Saling indicated 1) that legal counsel had advised him that the District could sell the property with out doing a public bid process; the zoning for the property is industrial; the property currently is being used as a parking lot and construction equipment storage yard; and the agreement with Intel is to sell the property on an "as is/where is" basis but there is no guarantee that the District is free and clear

from any environmental liability on the property.

In response to additional Committee questions, Mr. Saling stated 1) he had no explanation for the disparity in the two appraisals except that the appraisers probably used different assumptions such as accessibility to the property and wetland mitigation costs; and 2) the District did not list the property for sale or inquire about other possible buyers since Intel has shown strong interest in reacquiring the property.

In response to a request from Councilor Devlin, Mr. Saling stated he would make copies of the two appraisals available to Councilors. (Council Staff Note: copies of the appraisals are on file in the Council Office for review by councilors)

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# METRO

Planning and Development  
2000 S.W. First Avenue  
Portland, OR 97201-5398  
(503) 221-1646

# Greenspaces


ATTACHMENT 1

(Fin. Comm. Rpt./Res. 92-1655)

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DATE: August 6, 1992

TO: Neil Saling, Director of Regional Facilities

FROM: Pat Lee, Regional Planning Supervisor 

SUB: ALOHA TRANSFER STATION SITE AS GREENSPACE SITE

Greenspaces staff were asked to evaluate an 8.26 acre site owned by Metro at the intersection of S.W. 209th and the Tualatin Valley Highway to consider its potential as a Greenspaces site. Following a physical reconnaissance of the site, review of Intel plans for development, review of financing of the site and evaluation of the site in the context of Greenspaces criteria and goals for the Greenspaces program staff has determined the following:

The site is zoned for industrial development and the natural setting has been seriously degraded, both on the site itself and surrounding properties. It is bounded on the north by a railroad embankment, on the south by a series of light industrial buildings, on the east by the Intel campus and on the west by S.W. 209th Avenue, which also provides the only public access to the site. Approximately one third of the site is paved; part on the eastern portion leased from Metro by Intel, and part on the west side which also includes a brick building and frame storage structures.

Two drainage channels, emerging from culverts, converge near the center of the property and have been determined to be wetlands. Intel holds a current Corps of Engineers permit to fill a portion of these wetlands to provide internal access from the Intel campus to the western end of the site. The wetland/mitigation portion totals about 1.5 acres. The wetland appears to be relatively healthy, and mitigation efforts should provide for its improvement and continued management as a site amenity. The existing Intel frontage along the Tualatin Valley Highway is generously planted and well-maintained, which suggests that the wetland would be properly managed under their development and ownership.

The surrounding land uses are primarily commercial, industrial, and transportation. The site is clearly not of regional significance as a natural area, and, as there is no convenient access from residential areas or schools, it does not fit into the restoration opportunities category defined by the Master Plan. We recommend going forward with the sale to Intel rather than retaining the site for the Greenspaces system.

While the Finance Committee staff report indicates funds from the sale of the property would accrue in the Solid Waste Revenue Fund, if the Council is looking for opportunities to support the Greenspaces program there may be other potential uses for the money generated by the sale

of this land. Some policy options include the following:

The Greenspaces Foundation, a non-profit foundation to be established through the Metropolitan Greenspaces program, could use the money to begin acquiring options on appropriate greenspaces using this fund as seed money. Between now and the election numerous parcels might be identified and purchase agreements reached which would be finalized if the bond measure is successful.

Another option would be to adopt the Multnomah County policy of contributing a minimum of 50% of proceeds from the sale of surplus properties to a trust fund dedicated to the acquisition of natural areas.

Another option would be to establish a trust fund for maintenance of the greenspace system.

The intended use of revenues from the sale of surplus property is outside the scope of the action before the Committee this evening and could be pursued in subsequent discussions. It should not hold up action on the declaration of surplus property and its sale.

cc: Dick Engstrom  
Andy Cotugno  
Bob Martin



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

ATTACHMENT 2

(Fin. Comm. Rpt./Res. 92-1655)

DATE: August 6, 1992  
TO: Council Finance Committee  
FROM: Neil Saling, ~~Director~~, Regional Facilities Department  
SUBJECT: Sale Agreement with Intel Corporation

Per your request, the following financial information pertaining to the above proposed sale is provided. Note that Metro has not employed the services of a real estate broker.

Purchase from Intel (1986)		\$918,382.72
Fair Market Value	(\$809,562.60)	
Intel Premium	(\$108,820.16)	
Appraised Value (Branan)		\$1,300,000.00
Appraised Value (Anderson)		\$678,200.00
Appraised Value (Metro)		\$950,000.00
Negotiated Sale Price		\$1,000,000.00
Approximate Lease Revenues to date (\$4,000/month)		\$60,00.00
Approximate Closing Costs		\$3,000.00



## STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 92-1655, FOR THE PURPOSE OF AUTHORIZING THE EXECUTION OF A LAND SALE AGREEMENT WITH INTEL CORPORATION FOR THE ACQUISITION OF PROPERTY AT SOUTHWEST 209TH AND TUALATIN VALLEY HIGHWAY

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Date: July 15, 1992

Presented by: Neil Saling

### Background

In October 1986, Metro purchased a tract of land consisting of 8.26 acres from Intel Corporation for a sum of \$918,382.76. That tract of land, located at the intersection of Southwest 209th Avenue and Tualatin Valley Highway, was to be the site for the Metro West Transfer Station. The property came with two tenants whose leases on 1.21 acres were continued until last year. Metro paid taxes only on those portions of the property occupied by the tenants.

In April 1991, the Council authorized through Resolution 91-1423 the lease of the entire tract to Intel Corporation. Although Intel desired to purchase the property, the Executive Officer was unwilling to relinquish title to the property until such time as the establishment of a Metro West Transfer Station (or Stations) was resolved.

During the term of its lease, Intel has determined that approximately 1.5 acres of the property are wetlands which must be mitigated to allow construction on the site. The wetlands determination was made by CH2M-Hill as a part of the Intel planning for utilization of the tract. There is evidence in Metro records recognizing the existence of these wetlands at the time of the Metro purchase.

Metro has now received a proposal for a franchise of a privately operated transfer station in the vicinity of Wilsonville. Negotiations with the proposer have not been concluded. However, the Director of the Solid Waste Department believes the further retention of this site will have little bearing on the negotiations, and recommends sale of the property as proposed.

### Analysis

Two formal appraisals of the tract have been recently performed by two registered appraisers. The fair market value assigned by these appraisals, based upon comparable land purchases in the area were \$678,200 and \$1,300,000. The fair market value of the land at the time of Metro purchase was \$809,562.60. (An additional premium of \$108,820.16 was paid to Intel as compensation for entering into the sales agreement.)

The diverse nature of the two professional appraisals makes synthesis of the true fair market value difficult. In-house valuations range from \$884,344 to \$1,633,278 with a most probable value of about \$950,000. Escalating the premium over time results in a potential sale price of \$1,111,054. Negotiations with Intel have resulted in an agreed sale price of \$1,000,000.

Time is of the essence in that Intel desires to improve the tract before expiration of their wetlands fill permit and before the onset of adverse Fall weather. The desired date for closing of escrow is September 1, 1992.

Policy Impact

By this Resolution, Metro declares the subject property excess to its needs and elects to sell the property to a willing buyer at a mutually agreed price. Council approval of such a sale of real property is required by Metro Code Section 2.04.033(a)(3).

Financial Impact

Metro will realize revenues of One Million Dollars (\$1,000,000) less closing costs estimated to be Three Thousand Dollars (\$3,000). The net revenues will accrue to the Solid Waste Revenue Fund. They will be unrestricted funds in the unappropriated balance.

Recommendation

The Executive Officer recommends approval of Resolution No. 92-1655.



**METRO**

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# Memorandum

To: Solid Waste Committee Members

From: John Houser, Council Analyst

Date: July 29, 1992

Re: Resolution No. 92-1655, For the Purpose of Authorizing The Execution of a Land Sale Agreement with Intel Corporation for the Acquisition of Property at Southwest 209th and Tualatin Valley Highway.

Resolution No. 92-1655 is scheduled to be considered by the committee at the August 4 meeting.

## Background

In 1986, Metro purchased approximately nine acres from Intel as a potential transfer station site. Since April 1991, the site has been leased back to Intel. Intel now wishes to repurchase the site a begin immediate development of it.

Resolution No. 91-1535 was introduced and considered by the Solid Waste Committee on December 17, 1991. The resolution proposed that Metro enter into an option agreement with Intel under which Intel could repurchase the property for \$925,000 for up to eight months, and for \$975,000 up to April 1, 1993.

Councilors raised a number of questions concerning the agreement. These included: 1) whether an independent appraisal had been made, 2) concern that the sale price was only slightly higher than the purchase price, 3) application of Intel's lease payments to the purchase price, and 4) whether the property was actually surplus to Metro's needs at that time. The committee voted unanimously to refer the resolution to the Finance Committee. Copies of the original staff report on the resolution and the memo requesting referral to the Finance Committee are attached. No further action was taken on the resolution.

The sale price proposed in Resolution No. 92-1655 is \$1 million.

## Issues and Questions

The committee may wish to address the following issues and questions concerning this resolution:

1) The staff report for Resolution No. 91-1535 states that Metro's original purchase price was \$810,000. The staff report for Resolution No. 92-1655 indicates that the purchase price was

\$918,382. Why the difference? (Note: the staff report for Resolution 92-1655 notes that the fair market value at the time of purchase was \$810,000)

2) The staff report notes that an additional "premium" of \$108,000 was paid to Intel "as compensation for entering into the sales agreement." The committee may wish to ask the staff to explain this statement?

3) Concern was originally expressed that Intel would be allowed to apply certain lease payments toward the purchase of the property. Will this be permitted under the proposed sales agreement?

4) Since the evaluation and negotiation process for a possible Wilsonville transfer station has not been completed, on what basis was the decision made that this site is surplus to Metro's needs?

5) Is Metro under any legal obligation to offer the property for resale to Intel? Has Metro explored the option of placing the site for sale on the open market?

6) Could staff estimate the approximate profit or loss that Metro will have on this property?