

BEFORE THE METRO COUNCIL

FOR PURPOSE OF AUTHORIZING)	RESOLUTION NO. 96-2334
THE EXECUTIVE OFFICER TO)	Introduced by Mike Burton
PURCHASE PROPERTY WITHIN)	Executive Officer
THE TERWILLIGER-MARQUAM)	
NATURAL AREA IN SOUTHWEST)	
PORTLAND)	

WHEREAS, in July 1992, Metro completed the Metropolitan Greenspaces Master Plan which identified a desired system of natural areas interconnected with greenways and trails; and

WHEREAS, the Terwilliger-Marquam Natural Area was identified as a regionally significant open space in the Greenspaces Master Plan; and

WHEREAS, the 18.8 acre Marquam Woods property has been identified as an important site within the Terwilliger-Marquam Natural Area; and

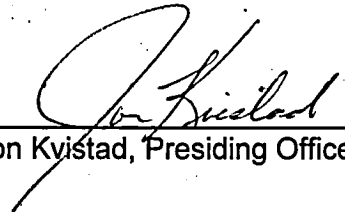
WHEREAS, the Marquam Woods site was identified as one of the regional "option sites" in the Open Spaces, Parks and Streams 1995 Ballot Measure 26-26 Fact Sheet No. 4, produced by Metro and authorized by the Council under Resolution No. 95-2113; and

WHEREAS, Metro Council, pursuant to Resolution No. 96-2265, has authorized the Executive Officer to purchase the property identified in Exhibit A, subject to certain conditions being fulfilled; now therefore

BE IT RESOLVED

That the Metro Council authorizes the Executive Officer to purchase the property, identified in Exhibit A, for not more than \$1,400,000, plus closing costs and taxes.

ADOPTED BY METRO COUNCIL this 16th day of May, 1996.



Jon Kvistad, Presiding Officer

Staff Report

**CONSIDERATION OF RESOLUTION NO. 96-2334, FOR THE PURPOSE OF
AUTHORIZING THE EXECUTIVE OFFICER TO PURCHASE PROPERTY IN
TERWILLIGER-MARQUAM NATURAL AREA IN SOUTHWEST PORTLAND**

Date: May 3, 1996

Presented by:

Charles Ciecko
Jim Desmond

PROPOSED ACTION

Resolution No. 96 -2334 would authorize the Executive Officer to purchase 18.8 acres along Terwilliger Blvd. from The Trust for Public Land.

BACKGROUND AND ANALYSIS

The Council has previously reviewed and approved the acquisition of this property, pursuant to Resolution No. 96-2265 and the staff report attached thereto, adopted by the Council on January 8, 1996.

Since that time, staff has received two appraisals of the property performed for the Trust for Public Land which were sent out for independent review. Questions about the assumptions made in those appraisals regarding the ability of the landowner to obtain the necessary development approvals caused staff to commission a third independent appraisal. This appraisal was performed by Lawrence E. Ofner, MAI, of the firm of Moscato, Ofner and Associates.

This appraisal concluded that the indicated range of value for the property was \$1,200,000 to \$1,400,000. This appraisal was qualified with the assumption that 3 acres at the northwest corner of the site are buildable (i.e., geologically sound with adequate soil stability) without any extraordinary measures. This assumption was more conservative than those made in the previous appraisals, and the conclusions about value were therefore lower in this appraisal.

The appraisal concluded that this valuation is subject to complete geotechnical testing by qualified engineers. If such tests did not verify these assumptions, the appraised value in this report would have to be decreased, perhaps significantly.

It was determined through extensive consultation with the appraisers, independent engineering firms and the City of Portland Planning Department that the necessary geotechnical testing would take 12 - 18 months to complete and cost \$100,000 to \$120,000 to perform. Neither the landowner, nor Metro could recommend proceeding with such extensive, expensive, and time-consuming tests.

The assumptions made by Mr. Ofner in his appraisal regarding soil stability are consistent with the detailed geotechnical report on this site performed in November, 1978, by the firm of L.R. Squire, Associated. In addition, Metro staff commissioned an independent review of

that study and other available public sources in January, 1996, which concluded that, "Based on current site visits, it appears that no major changes have occurred on the site since the [1978] Squire report was issued." This recent review also concluded that the comprehensive geotechnical testing would be required before the site could be developed.

Therefore, based on this recent appraisal and existing information regarding the geotechnical condition of the property, staff has renegotiated the price of the property down from \$1,629,000 to \$1,400,000. Because of the somewhat unusual results of staff's standard due diligence investigation, the Executive Officer recommended bringing this acquisition back to the Council for further approval in order to purchase the property in accordance with these terms and standard Metro procedure.

At a meeting held on December 19, 1995, the Regional Parks and Greenspaces Citizen Advisory Committee voted unanimously to recommend to Council that Metro purchase this property.

BUDGET IMPACT

The Trust for Public Land has offered the property to Metro for \$1,400,000, which is within the range of fair market value of the property according to an independent appraisal, subject to certain assumptions described above.

The purchase price and closing costs would be paid out of the \$4 million options account established at the time of the Bond Measure, and would not impact the budgets established for the 14 regional target areas and 6 regional trails and greenways.

The City of Portland, in a letter from Commissioner Charlie Hales to Executive Officer, Mike Burton, dated April 17, 1996, is considering a contribution of 10% of the purchase price its local share or other funds. The Portland City Council will review this ordinance at an upcoming meeting. A copy of Commissioner Hales' letter, wherein he states that he "expects that City Council will support the ordinance," is attached to this report.

The City of Portland Parks & Recreation staff has expressed interest in negotiating an agreement whereby the City would assume management of the site consistent with its Master Plan for the Terwilliger-Marquam Natural Area, although Metro would retain full title. Such an agreement would require the approval of Metro Council at a later date.

Exhibit A

PARCEL I:

The following described property in the City of Portland, County of Multnomah and State of Oregon:

Commencing at a point on the line dividing the East one-half from the West one-half of the Hiram Terwilliger Donation Land Claim in Section 16, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, which point is 1414.81 feet North along said dividing line from the South end thereof; thence South $88^{\circ}27'20''$ East 292.82 feet to a point in the Westerly line of SW Barbur Blvd. for the point of beginning of tract to be described; thence on a curve to the right with a radius of 889.02 feet from a tangent bearing North $23^{\circ}16'55''$ West along said Westerly line of SW Barbur Blvd., 163.12 feet to end of curve; thence North $13^{\circ}24'50''$ West on the Westerly line of SW Barbur Blvd., 494.75 feet; thence on a curve to the right with a radius of 1960.08 feet and following the said Westerly line of SW Barbur Blvd., 110.12 feet; thence North $88^{\circ}27'20''$ West 108.39 feet to said dividing line of said Terwilliger Donation Land Claim; thence North $0^{\circ}05'$ West on said dividing line 842.47 feet, more or less, to the South line of SW Seymour Street as monumented and recognized by the City of Portland as such; thence North $89^{\circ}17'50''$ West on the South line of said SW Seymour Street 373.96 feet to the West line of PORTLAND HOMESTEAD ADDITION; thence North $0^{\circ}42'10''$ East on the West line of said PORTLAND HOMESTEAD ADDITION, 330.00 feet; thence South $89^{\circ}50'$ West 240 feet, more or less, to the Easterly line of SW Terwilliger Blvd.; thence Southerly and Easterly following the Easterly line of SW Terwilliger Blvd., 2240 feet, more or less, to a point which is North $88^{\circ}27'20''$ West from the point of beginning; thence South $88^{\circ}27'20''$ East 220 feet, more or less, to the place of beginning.

EXCEPT that portion deeded to the State of Oregon, by and through its State Highway Commission, by Instrument recorded June 23, 1971 in Book 795, page 1518, Deed Records.

PARCEL II:

Lot 2, Block 21, PORTLAND HOMESTEAD ADDITION, in the City of Portland, County of Multnomah and State of Oregon.

PARCEL III:

Lot 3, Block 16, PORTLAND HOMESTEAD ADDITION, in the City of Portland, County of Multnomah and State of Oregon.

PARCEL IV:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 in the Subdivision of Lot 2, Block 16, PORTLAND HOMESTEAD ADDITION.

TOGETHER WITH the vacated portion of SW 4th Avenue lying Easterly of an adjoining said Lots 1, 2, 3, 4 and 5, in the City of Portland, County of Multnomah and State of Oregon.



ASSUMES NO LIABILITY FOR ANY VARIATIONS AS MAY BE DISCLOSED BY ACTUAL SURVEY

First American Title Insurance Company of Oregon

An assumed business name of TITLE INSURANCE COMPANY OF OREGON

1700 S.W. FOURTH AVENUE, PORTLAND, OR 97201-5512

(503) 222-3651

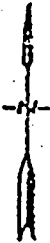
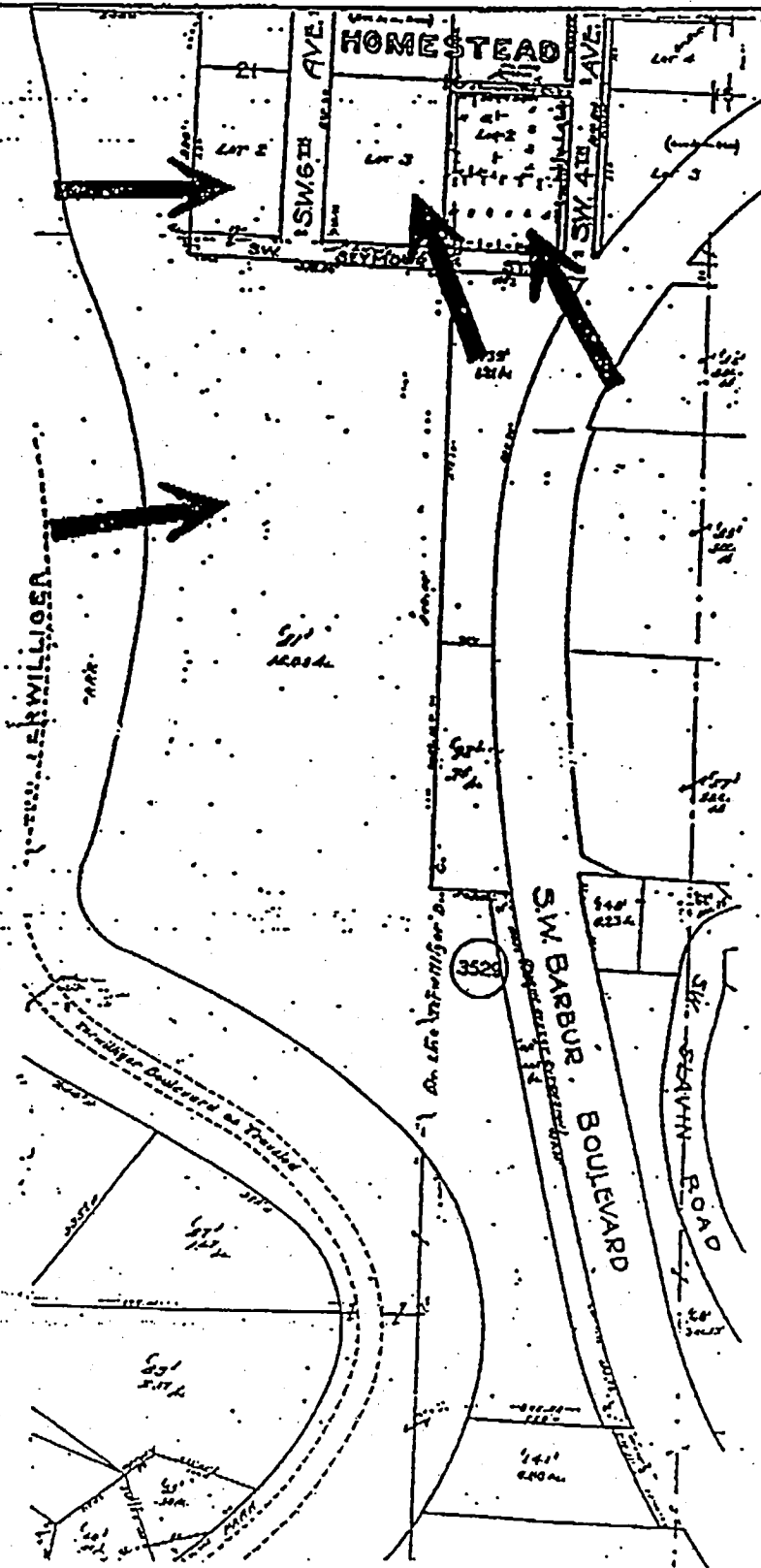


Exhibit A

MAP 3528





Parks • Neighborhoods • Planning • Fire

Charlie Hales
Commissioner, City of Portland

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<http://www.europa.com/~hales>

April 17, 1996

RECEIVED

APR 18 1996

EXECUTIVE OFFICER

Mike Burton
Metro Executive
600 N.E. Grand Avenue
Portland, Oregon 97232

Dear Mr. Burton:

As you well know, Jim Desmond of your Greenspaces staff has been working closely with Bowen Blair of the Trust for Public Land to come to agreement with the owners of approximately 17 acres along SW Terwilliger Boulevard. The property, known as the Maletis-Finnegan property or Marquam Wood, will be an incredibly significant addition to Portland's Terwilliger Parkway. We applaud your efforts to make this happen.

Because of the property's significance to the City, we are prepared to contribute 10% of the purchase price from the City's 26-26 local share. We make this pledge with the understanding that our local contribution will be in the \$110,000 to \$170,000 range. I'm sure you realize that we must take an action such as this before City Council for approval. You have my assurance that I will submit an ordinance to accomplish this once the amount is finally determined. I fully expect that City Council will support the ordinance.

We are delighted that this project is moving forward. If you have any question about our commitment to see this project through, please contact me at 823-4682.

Sincerely,

Charlie Hales
Commissioner-in-Charge
Portland Parks & Recreation

c: Bowen Blair
Charles Jordan