

W9C1

AGENDA COVER MEMORANDUM

Agenda Date: October 12, 2005

DATE: September 27, 2005

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: Jeff Turk, Property Management Officer

SUBJECT: ORDER/IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY TO GREEN EYE, LLC FOR \$40,000 (MAP # 17-04-25-44-00900, 267 VAN BUREN, EUGENE)

1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY TO GREEN EYE, LLC FOR \$40,000 (MAP # 17-04-25-44-00900, 267 VAN BUREN, EUGENE)
2. **ISSUE/PROBLEM:** Green Eye, LLC (Clark Tippin, principle) has submitted an offer of \$40,000 for the subject property. The offer is being presented for consideration of acceptance or rejection.
3. **DISCUSSION:**

3.1 Background

The subject property was acquired through tax foreclosure in September, 2001. It is 84' x 160' (13,440 sq. ft.) and contains a 27' x 72' shop building in poor condition. The current market value per the Assessor is \$110,000.

The property has significant environmental contamination. Based on a Level II assessment by Omnicon Environmental done after the county acquired the property, substantial amounts of petroleum products was found in the soil (petroleum was found to depths of 8' – 10' in 5 of the 6 test holes drilled). The property had been used by heating oil and solvent distributors since the 1930's.

Cleanup estimates at the time of the assessment (2001) ranged from \$50,000 - \$70,000. This did not include testing and remediation of the groundwater which would add substantial costs to the cleanup.

Interest in the property by private parties was minimal due to the risk that cleanup costs could exceed the value of the property at that time.

The subject, together with another contaminated property on McVay Hwy., was offered at a Sheriff's sale in February, 2004 with a minimum bid of \$20,000. No bids were received. In November, 2004 the County applied to the EPA for a \$100,000 cleanup grant for the subject (the grant amount was based on a work prescription done by Omnicon). In May, 2005, the county learned that it would not be awarded a grant for the subject property (the county was awarded a cleanup grant for the McVay Hwy. property).

Since denial of the grant, Property Management staff had been in discussion with 3 potential developers of the subject in hopes of putting together an agreement similar to the one used for the McVay Hwy. site in which the county would again apply for an EPA grant with the developer also contributing to the cleanup costs (NEDCO, John Hammer and Kevin Trexel were the involved parties).

Green Eye, LLC was not one of the parties involved in the discussions but was willing to take the property "as is" and submitted an initial offer of \$15,000. Staff contacted the other parties who had expressed an interest in the subject. Two of the parties (Hammer, Trexel) wished to submit counter offers. Staff had then gotten all three interested buyers together and allowed each to submit counter offers. No party wished to exceed Green Eye's \$40,000 offer (Green Eye has remitted an \$8,000 deposit). All parties had access to the environmental and title reports secured by the county.

3.2 Analysis

Given the cost and risks it is unlikely that the County would (or should) undertake a cleanup of the property without the benefit of EPA grant funds. The county can continue to apply for EPA grants without guarantee that one will be awarded. Assuming that the county would be successful in receiving a \$100,000 grant it would require a \$20,000 match. Once the property was clean, it could be sold for its estimated \$100,000 market value. Grant applications are due to be submitted in November with award decisions made the following April or May.

Green Eye's offer is quite reasonable when the cleanup costs and associated risks are considered. Selling the property to them would put it in private ownership, return it to the tax roll and relieve the county of the burden of continued ownership.

Pursuant to ORS 275.200, property that did not sell at a Sheriff's sale can be sold at private sale without further notice but for not less than 15% of its minimum bid at the Sheriff's sale. The offer meets the requirements of ORS 275.200.

3.3 Alternatives/Options

- A. The Board can accept Green Eye's \$40,000 offer.
- B. The offer can be rejected with direction to continue negotiations
- C. The offer can be rejected with direction to again apply for an EPA cleanup grant.
- D. The offer can be rejected and the property offered at a future Sheriff's sale.

3.4 Recommendation

It is recommended that Green Eye's \$40,000 offer be accepted (option A).

3.5 Timing

None.

- 4. **IMPLEMENTATION/FOLLOW-UP:** Upon approval by the Board of County Commissioners, the Quitclaim Deed will be executed and the property will be sold.
- 5. **ATTACHMENTS:**
 - Board Order
 - Quitclaim Deed
 - Tax Map

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY TO GREEN EYE, LLC FOR \$40,000 (MAP # 17-04-25-44-00900, 267 VAN BUREN, EUGENE)

WHEREAS this matter now coming before the Lane County Board of Commissioners and said Board deeming it in the best interest of Lane County to sell the following real property which was acquired through tax foreclosure, to wit:

Lot 7, Block 9, SLADDEN'S THIRD ADDITION TO EUGENE, as platted and recorded in Volume 3, Page 10, Lane County Oregon Plat Records, Lane County, Oregon.

WHEREAS said real property is owned by Lane County and not in use for County purposes, and sale of said property would benefit Lane County by its return to the tax roll, and

WHEREAS said parcel was offered at a Sheriff's sale on February 7, 2004 with a minimum bid of \$20,000 and

WHEREAS no bids were received for said parcel and it remained unsold at the close of said sale


IT IS HEREBY ORDERED that pursuant to ORS 275.200 and ORS 275.275, the parcel be sold to Green Eye, LLC for \$40,000, that the Quitclaim Deed be executed by the Board and that the proceeds be disbursed as follows:

Foreclosure Fund	(228-5570270-446120)	\$39,724.00
General Fund	(124-5570260-436521)	276.00

IT IS FURTHER ORDERED, that this Order shall be entered into the records of the Board of Commissioners of the County.

DATED this _____ day of _____, 20____.

APPROVED AND ORDERED

7-29-05


Anna Morrison, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY TO GREEN EYE, LLC FOR \$40,000 (MAP # 17-04-25-44-00900, 267 VAN BUREN, EUGENE)

