

AGENDA COVER MEMORANDUM

W. 9. b.

Agenda Date: June 7, 2006

DATE: May 23, 2006

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: Jeff Turk, Property Management Officer

SUBJECT: IN THE MATTER OF PROVIDING DIRECTION TO STAFF FOR THE DISPOSITION OF COUNTY OWNED REAL PROPERTY IDENTIFIED AS MAP NO. 17-04-36-41-12500 (ADJACENT TO 1393 POLK STREET, EUGENE)

1. **PROPOSED MOTION:** NO MOTION IS PROPOSED.

2. **ISSUE/PROBLEM:** Staff previously brought the matter before the Board at their April 5th meeting. The Board requested that staff do additional research and then bring the matter back for further discussion. The additional research requested included:

- Contact the Housing Policy Board (HPB) to determine if any members are interested in acquiring the subject property at market value. The matter was presented to the HPB at their May 1 meeting. No member entity has expressed an interest in acquiring the property at market value.
- Contact the City of Eugene to see if they have an interest in the subject for park or other public purposes. Russ Royer, property manager for the city was contacted who in turn contacted other city depts., including parks, to determine interest in the subject. The City of Eugene does not have any interest in acquiring the property.
- Appraisal. An appraisal of the property was conducted by the licensed appraisers in the Public Works dept. The subject was determined to have a value of \$85,000.
- Determine source of funds (Fairgrounds or General Fund) used to purchase the subject in 1977. Staff has been unable to determine the source of funds for the purchase of the subject in 1977. County and Fair staff have researched files and Commissioner Journals without success (a Board Order from 1989 was found for the purchase of a lot on Jefferson St. which notes Fair funds were to be used pursuant to existing Fair policy for acquiring property).

Staff will attempt to contact former Fair manager Steve McCulloch prior to the June 7th meeting as Mr. McCulloch may be able to provide information on Fair policies for acquiring property at the time the subject property was purchased.

The remainder of this memo contains essentially the same information as presented at the April 5th meeting.

3. DISCUSSION:

3.1 Background

The subject property has been under the management of the Fairgrounds since its purchase in 1977. The Fair Board has deemed that the property is no longer needed for Fair purposes and would like the County Board to sell the property with net proceeds returned to the Fair. Staff would like direction concerning:

- Sell or retain the parcel
- Process for disposing the parcel (auction/private sale/affordable housing)
- Disposition of proceeds from a sale

The subject parcel is a 53' x 160' vacant lot on the East side of Polk St. between 13th & 14th Avenues. It was purchased by the County in January, 1977 for \$19,000 (it had a house on it at the time). Preliminary research by Property Management staff has not been able to determine the source of funds used for the purchase – General Fund or Fair funds. The property has a market value per the Assessor of \$43,308. The property is zoned for low density residential use.

No other county property adjoins the subject. The Eugene Faith Center (located across the street) owns the lots to the North and South. Parcels to the East of the subject are also privately owned.

The Eugene Faith Center is interested in purchasing the subject and has made an offer of \$43,308.

3.2 Analysis

Sell or Retain: The Fair Board has determined that the property is surplus to their needs. Given the residential zoning & size of the parcel, it may preclude other public uses such as a park (assuming the City of Eugene would want the property). The property is surplus and should be disposed of (the Fair is responsible for maintenance of the property).

Disposition Process: As the property was acquired via a purchase as opposed to a tax foreclosure, ORS 275.030 does allow for a private sale (without the property first being offered at a public sale) pursuant to ORS 271 upon a finding by the Board that it is in the County's best interest. If it is determined to proceed with a private sale the county would have the option of marketing the property itself or contracting with a realtor to do so.

The property could be included in a future Sheriff's auction. It should be noted that each year the Property Management Office receives several unsolicited inquiries from the public concerning the availability of the subject property. The response has been that the property was not available and to contact the Fair for additional information on its status. Offering the subject at a Sheriff's sale provides an open, public process for an opportunity to acquire the property.

The subject can be transferred to a non-profit agency for affordable housing purposes. ORS 271.330 provides for the transfer of county property to a non-profit or municipal corporation for the purpose

of providing low-income housing, education or social services. Such a transfer does not preclude receiving monetary consideration in return. The Board would have the option of offering the property to a qualifying agency through the process outlined in Lane Manual 21.430 (contacting the Housing Policy Board) to see if any were interested in a purchase at a price determined by the Board.

Disposition of Proceeds: Technically, the property is owned by Lane County. Research has not revealed information, such as a Board Order, relating to the purchase which indicates the source of funds used for the purchase. If Fair funds were used, it is likely that proceeds from the sale of the subject would need to be returned to the Fair and used for Fair purposes. Property Management and Fair staff continuing to research the matter.

Not knowing definitively the source of funds used to purchase the property in 1977 does not preclude the Board from offering it for sale. Funds can be held from a sale until it is determined how they should be disbursed.

3.3 Alternatives/Options

- A. Retain the parcel for County purposes.
- B. Sell the parcel at private sale.
- C. Sell the parcel at a future Sheriff's sale (auction)
- D. Sell the parcel to a non-profit agency for affordable housing purposes.
- E. Donate the property for affordable housing purposes.

3.4 Recommendation

If the Board chooses to sell the parcel, it is recommended that the parcel first be offered at a Sheriff's sale (option C). Given that the public has been told in the past that the property is not available, offering the property at a Sheriff's sale would provide a public process for disposition affording an equal opportunity for purchase.

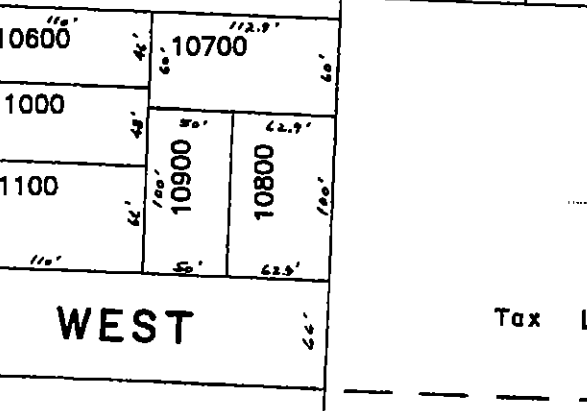
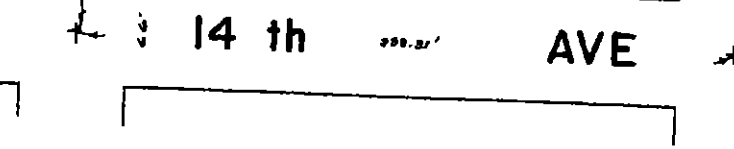
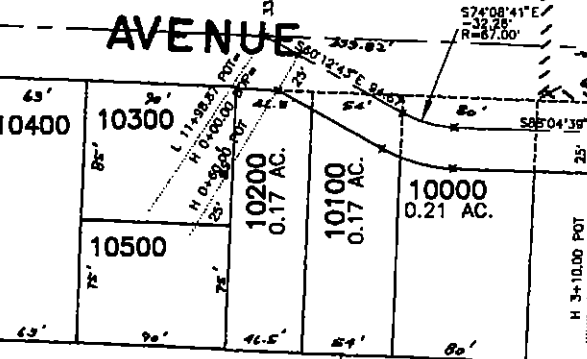
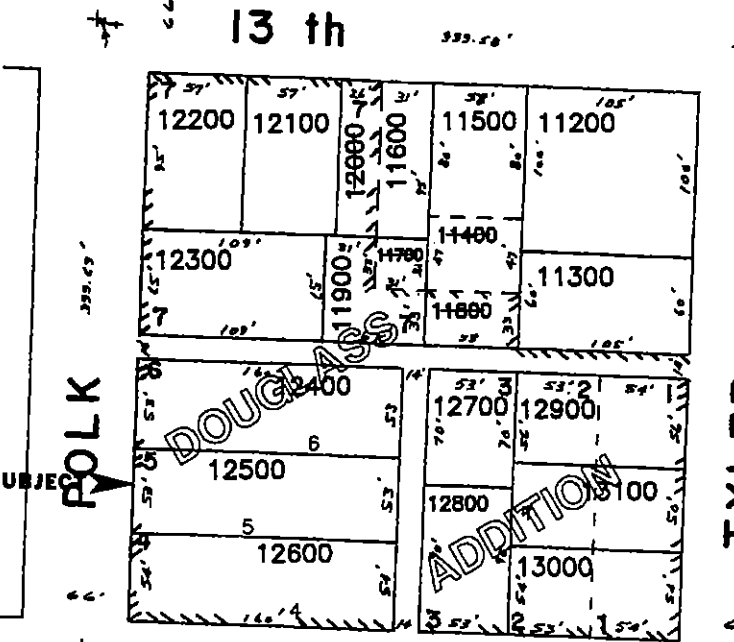
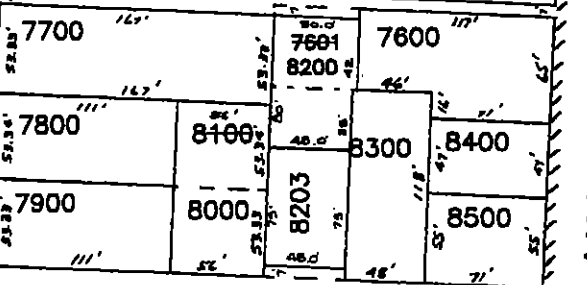
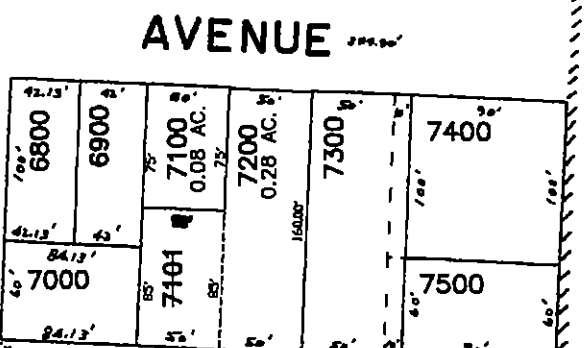
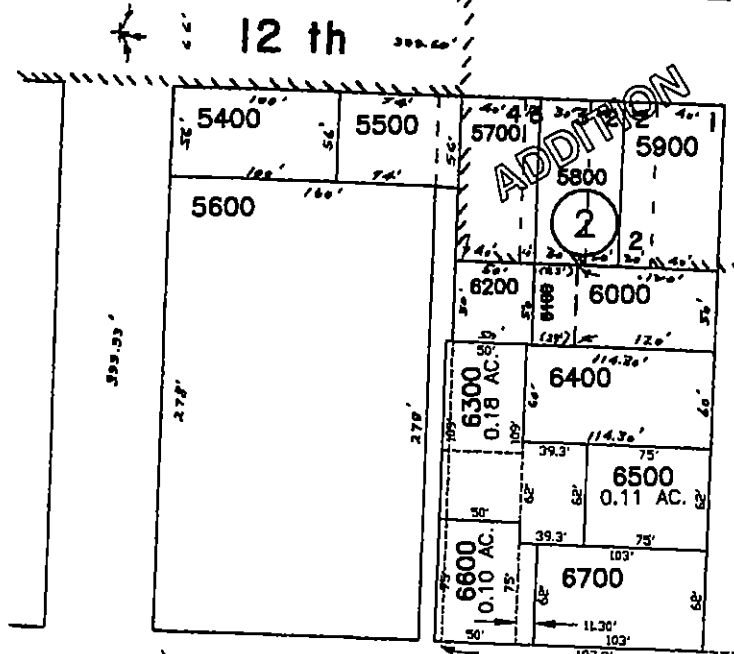
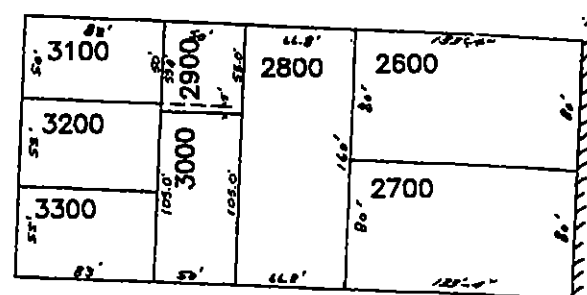
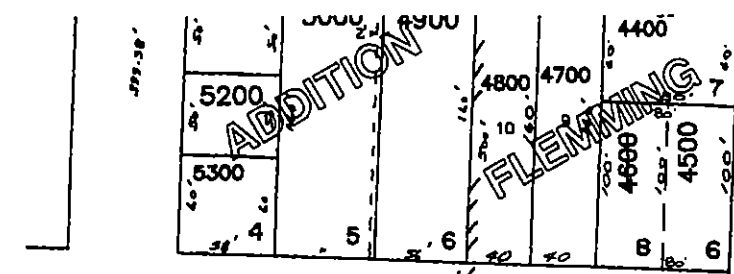
3.5 Timing

Property Management is planning a Sheriff's sale in late July or early August. The subject property can be included if desired by the Board.

4. **IMPLEMENTATION/FOLLOW-UP:** Staff will implement the direction given by the Board

5. **ATTACHMENTS:**
Tax Map
1989 Board Order.

SEE MAP 17 04 36 42



SUBJECT

POLK

DOUGLAS

ADDITION

ADDITION

FLEMMING

ADDITION

AVENUE

AVENUE

12 th

13 th

14 th

AVE

TYLER

WEST

Tax I

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.) In the Matter of the Acqui-
) sition of Certain Property
) for the Fairgrounds (Tax Map
) 17-3-31-31, Lot 13600)

89-5-10-21

WHEREAS the Fair Board has determined that it is in its best interests and that of its neighbors to acquire immediately adjoining properties for future expansion needs and to reduce potential conflicts with neighboring properties, and

WHEREAS the Fair Board has adopted a policy to recommend to the Board of Commissioners the purchase of such properties whenever they are offered for sale by their owners, if the sale price is reasonable and if the Fair Board has sufficient funds available to make the purchase, and

WHEREAS the property located at Tax Map 17-3-31-31, Lot 13600 has been offered for sale to the Fair Board, and

WHEREAS said property abuts the fairgrounds and the Amazon Canal, and

WHEREAS the Fair Board has recommended purchase of this property, now therefore, it is hereby

ORDERED that the above described property be acquired with Fair Funds for fairgrounds purposes, and it is further

ORDERED that the Fair Manager is delegated authority to complete negotiations for and to execute all documents necessary to complete the transaction.

DATED this 10th day of May, 1989.

FILED
AT _____ O'CLOCK _____ M
MAY 16 1989

[Signature]
Chair, Lane County Board of Commissioners

County Clerk
Lane County, Oregon
[Signature]
DEPUTY

5-1-89
[Signature]