W. 8.D.3.

Memorandum Date: November 2, 2006 Order Date: November 21, 2006

TO:

Board of County Commissioners

DEPARTMENT:

Public Works

PRESENTED BY:

Frank Simas, Right of Way Manager

AGENDA ITEM TITLE:

ORDER/IN THE MATTER OF AUTHORIZING EXECUTION

OF A LETTER AGREEMENT WITH UNION PACIFIC

RAILROAD CONCERNING LONG TOM DRIVE IN SECTION 10, TOWNSHIP 16 SOUTH, RANGE 5 WEST, WILLAMETE

MERIDIAN

I. <u>MOTION</u> THAT THE COUNTY ADMINSTRATOR BE AUTHORIZED TO SIGN THE LETTER AGREEMENT WITH UNION PACIFIC RAILROAD CONCERNING THE PURCHASE OF LAND FOR LONG TOM DRIVE.

II. AGENDA ITEM SUMMARY

Union Pacific Railroad has offered to sell to Lane County approximately 0.30 acres of land that contains a portion of Long Tom Drive in the Cheshire area of Lane County. Pursuant to Lane Manual 21.410, all contracts for real property acquisition shall be acted upon by the Board through the prescribed agenda process.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Union Pacific Railroad (UP) is in the process of disposing of fee-owned former operating railroad property, and has contacted Public Works staff regarding one such parcel of land in the Cheshire area. The parcel contains an approximate 200-foot long portion of the road known as Long Tom Drive, for which there is currently no legal right of way, due to a Vacation processed in 1951, which may have been in error.

UP has offered the property to the County for the sum or \$5,000.00, and requires that a Letter Agreement to purchase be signed on behalf of Lane County before its staff will process the paperwork necessary to complete the sale.

B. Policy Issues

None known.

C. Board Goals

This project is related to the County Goal of "Contributing to appropriate community development in the area of transportation and telecommunications infrastructure, housing growth management and land development."

D. Financial and/or Resource Considerations

Purchase of this property for right of way use is a Road Fund expense, and funds are available for the purchase.

E. Analysis

The purchase of this parcel of land is in the best interest of the public should it be necessary to modify or improve Long Tom Drive in the future. The purchase price offered is in line with current UP policy and is based more upon recovery of its administrative costs involved in processing the sale rather than on the market value of the land to be conveyed. Whether or not this road is formally reestablished as a County road at some time in the future, acquisition of this parcel by Lane County will preclude it being purchased by a private party and may help the residents along the road in avoiding landlocking issues which might arise if a private party were to obtain legal title to their means of access.

F. <u>Alternatives/Options</u>

The Letter Agreement provides for a 40-day period for the completion of due diligence with regard to survey, hazardous materials and related matters, and the County may terminate the Agreement at any time before the end of the 40-day period.

At the completion of the review and due diligence process, if it is determined to be unfeasible to proceed with the purchase, Engineering Division staff will recommend to the County Administrator that notice be given to terminate the agreement.

V. TIMING/IMPLEMENTATION

If conditions are found to be favorable for this purchase, the closing is anticipated on or before January 23, 2007.

VI. RECOMMENDATION

- 1. Authorize the County Administrator to sign the Letter Agreement and authorize termination of the agreement should the purchase prove not to be feasible.
- 2. Reject the agreement.

VII. FOLLOW-UP

The Board could direct staff to pursue reestablishment of this road as a County road through Legalization, the obtaining of dedications from adjoining owners or via right of way acquisition and eminent domain, if necessary. This is not recommended at this time, but could be undertaken at some time in the future if conditions warrant.

VII. ATTACHMENTS

Attachment 1, Letter Agreement Attachment 2, Location Map

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

Order No.	(IN THE MATTER OF AUTHORIZING (EXECUTION OF A LETTER AGREEMENT (WITH UNION PACIFIC RAILROAD (CONCERNING LONG TOM DRIVE IN (SECTION 10, TOWNSHIP 16 SOUTH, (RANGE 5 WEST, WILLAMETTE MERIDIAN
WHEREAS, Union Pacific Railroad (UP) harea to Lane County; and	as offered to sell a parcel of Land in the Cheshire
WHEREAS, said real property contains a pway currently exists; and	portion of Long Tom Drive for which no legal right of
WHEREAS, Long Tom Drive connects v numerous private ownerships; and	with Oregon Highway 36 and provides access to
without an agreement stating the County's intentio	th the processing of the sale of this property in to purchase the property conditional upon the need for an environmental site assessment and
WHEREAS, purchase of the property for interest should it become necessary to modify or in	r the offered price of \$5,000 will be in the public mprove the road in the future; and
WHEREAS, Lane Manual 21.410 requires be acted upon by the Board through the prescribe	that all contracts for the acquisition of real property dagenda process;
IT IS HEREBY ORDERED that, pursuant Officer be authorized to sign the Letter Agreement results of the staff investigation show that the pure	to Lane Manual 21.410 the County Administrative t Option and to terminate the Agreement should the chase of the property is not in the public interest;
IT IS ALSO FURTHER ORDERED that the Board of Commissioners of the County.	this Order shall be entered into the records of the
DATED this day of	, 2006.
	Bill Dwyer, Chair Board of County Commissioners

11-14-06 Mas ////



November 1, 2006 File Folder No. 2396-98

Lane County Attn: Mr. Frank D. Simas, Right of Way Manager 3040 North Delta Highway Eugene, Oregon 97408

Dear Mr. Simas:

This letter ("Agreement") confirms our understandings covering the possible sale by Union Pacific Railroad Company ("Seller") to Lane County, a Political Subdivision of the State of Oregon ("Buyer") of Seller's interest in certain real property ("Property") at or near Cheshire, Lane County, Oregon.

The undersigned will recommend to Seller's Management a sale of the Property on the following terms and conditions:

1. Description of Property:

- 1.1 The Property is approximately 13,068 square feet or 0.30 acres as shown on the print attached hereto as **Exhibit A** and made a part hereof. The legal description of the Property will be determined by Seller from existing deed and title records, if possible. If a survey is required, it will be at the sole cost and expense of Buyer.
- 1.2 Before finalizing any survey, Buyer shall submit the draft survey to Seller for review and approval. Buyer shall deliver a certified copy of the final completed survey to Seller within Forty (40) days after Buyer's execution of this Agreement. Delay in obtaining or furnishing the final completed survey to Seller shall in no event give Buyer the right to extend the Closing Date (as defined in Section 8). Buyer shall submit or direct the surveyor to submit computer files of the draft and final completed surveys and legal descriptions to Seller via e-mail to rradmin@sbcglobal.net, with a reference to Seller's Folder Number assigned to this Agreement (shown immediately below the date of this Agreement above).

2. Sale Price:

The sale price ("Sale Price") for the Property shall be FIVE THOUSAND DOLLARS (\$5,000.00).

3. Feasibility Review/Right of Entry:

- 3.1 For Forty (40) days from the date of execution of this Agreement by Buyer ("Feasibility Review Period"), Buyer and its agents and contractors may enter upon the Property to perform environmental audits, soil tests, engineering and feasibility studies of the Property. If the results of such audits, tests or studies, or Buyer's review of title or any other matters relating to the Property are unsatisfactory, Buyer may terminate this Agreement by giving Seller written notice before the end of the Feasibility Review Period. If no such written notice of termination is given before the end of the Feasibility Review Period, the Property will be deemed suitable for Buyer's purposes. In the event of such termination by Buyer, then Buyer shall surrender to Seller copies of all audits, soils, engineering and any other reports prepared for Buyer pertaining to the Property and such reports will become the sole property of Seller without cost or expense of Seller and this Agreement will terminate without any further force and effect, and without further obligation of either party to the other.
- 3.2 Buyer's right to enter upon the Property pursuant to Section 3.1 is subject to the following:
 - (a) Subject to the limitations of the Oregon Tort Claims Act and any applicable provisions of the Oregon Constitution, Buyer will indemnify, defend and save harmless Seller and/or Seller's affiliates (Seller's affiliates means any corporation which directly or indirectly controls or is controlled by or is under common control with Seller), their officers, agents and employees, against and from any and all liability, loss, costs and expense of whatsoever nature growing out of personal injury to or death of persons whomsoever, or loss or destruction of or damage to property whatsoever, where such personal injury, death, loss, destruction or damage arises in connection with the entry upon the Property by Buyer, its agents or contractors prior to Closing.
 - (b) To the maximum extent permitted by law, Buyer and Buyer's agents and contractors (collectively "Contractors") will maintain in confidence all information, reports, and evaluations generated in connection with any environmental assessments and will not make disclosure without the prior written consent of Seller. If Buyer discovers hazardous or toxic substances or materials, Buyer will immediately notify Seller.
 - (c) Buyer will promptly deliver to Seller the results and copies of any and all reports, evaluations, tests and studies generated in connection with any environmental assessments. Prior to the issuance of any final environmental report, Seller will have the opportunity to make comments, pose questions and offer recommendations to the Contractor preparing the report.

- (d) Subject to the limitations of the Oregon Tort Claims Act and any applicable provisions of the Oregon Constitution, Buyer agrees to indemnify, defend and hold harmless Seller against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of any work done, labor performed or materials furnished at the Property on behalf of Buyer prior to Closing.
- (e) If the sale of the Property does not close, Buyer will, as soon as possible and at Buyer's sole expense, restore the Property to the same condition it was in immediately prior to the time Buyer entered the Property, failing in which Seller may perform the work of restoration and Buyer will reimburse Seller within thirty (30) days after rendition of bill by Seller.
- 3.3 Absence of markers is not a warranty by Seller of no subsurface installations. Fiber optic systems, pipelines, and other structures may be buried on the Property. Before any digging/drilling/excavation, the following procedures will be followed by Buyer and Buyer's Contractors:
 - (a) Protection of any fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. Buyer will telephone 1-800-336-9193 (a 24-hour, 7-day number for emergency calls) during normal business hours (7 A.M. to 9 P.M., CT, Monday-Friday, except holidays) to determine if any fiber optic cable is buried on the Property. If it is determined that fiber optic cable is buried on the Property, Buyer shall promptly inform Seller, at the address at the top of this Agreement, of the results of its investigation.
 - (b) Before drilling or excavating with mechanized equipment, Buyer will explore with hand tools to a depth of at least eight (8) feet below the surface or will use suitable detection equipment.
- 3.4 Notwithstanding any provisions in this Agreement to the contrary, if this Agreement is terminated for any reason whatsoever, Buyer will remain obligated to comply with the provisions of Sections 3.1 and 3.2 and Seller will retain all of its remedies for Buyer's default under Sections 3.1 and 3.2.

4. As Is Sale - Release - Indemnity:

4.1 Prior to the Closing Date, Buyer will have the opportunity to make such inspections of the Property and matters related thereto as Buyer desires, including, without limitation, governmental laws and regulations to which the Property is subject, the title to the Property, and the suitability or fitness of the Property for Buyer's proposed use. Buyer acknowledges

and agrees that the Property is to be sold and accepted by Buyer in an "AS IS" condition, with all faults, and Buyer acknowledges that the Property may have been used for railroad and/or industrial purposes, among other uses. Buyer agrees that any information Buyer may receive from Seller or its agents concerning the Property (including, but not limited to, any lease or other document, engineering study or environmental assessment) is furnished on the condition that Buyer will make an independent verification of the accuracy of the information. Seller does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property; in particular, without limitation, Seller makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, or compliance with applicable statutes, laws, codes, ordinances, regulations, requirements (collectively "Condition of the Property"). Buyer acknowledges that it is entering into this Agreement on the basis of Buyer's own independent investigation of the physical and environmental conditions of the Property. Buyer assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

- 4.2 FROM AND AFTER CLOSING, BUYER WILL RELEASE SELLER, AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INDEMNIFY, DEFEND AND SAVE HARMLESS SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CAUSES OF ACTION, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, FINES, PUNITIVE DAMAGES, LOSSES, COSTS, LIABILITIES AND EXPENSES, IN ANY WAY ARISING OUT OF OR CONNECTED WITH THE KNOWN OR UNKNOWN CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE **COMPREHENSIVE ENVIRONMENTAL** RESPONSE, **COMPENSATION** AND LIABILITY ACT, **AND** THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING WILL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF SELLER, ITS AFFILIATES, OR THEIR EMPLOYEES, AGENTS OR OFFICERS.
- 4.3 The provisions of this Section 4 will survive the delivery of the deed and will bind and inure to the benefit of the parties hereto, their heirs, successors and assigns.

5. Escrow, Title Insurance and Abstract of Title:

5.1 Seller will not furnish title insurance or an abstract of title to the Property. Buyer may, at its sole option and expense, obtain a preliminary title report ("PTR") in order to review the status

of title to the Property during the Feasibility Review Period. If Buyer obtains a PTR, a copy will be delivered to Seller. Seller has no obligation to cure any title defects or to assist Buyer in obtaining title insurance.

5.2 If Buyer desires title insurance, Buyer shall pay the cost of any title insurance and any endorsements or changes to the title policy desired by Buyer. If an escrow is used, Buyer shall pay any and all fees relating to the escrow, including, but not limited to, any City and/or County Transfer Taxes and recording fees.

6. Form of Deed; Reservations:

- At Closing, Seller will transfer Seller's interest in the Property to Buyer by Quitclaim Deed, subject to all outstanding rights, whether or not of record.
- 6.2 Seller will reserve from the transfer all minerals and mineral rights without right of surface entry.

7. Existing Agreements:

- 7.1 If any lease or "Use Rights" (license or other rights to use the Property) affects <u>only</u> the Property (whether identified by Seller before or after execution of this Agreement), Seller's rights and obligations under any such identified lease or Use Right will be assigned to and assumed by Buyer at or after Closing.
- 7.2 Buyer acknowledges that the Property may be subject to unidentified Use Rights. It is the responsibility of Buyer to determine if any of these unidentified Use Rights exist.

8. Closing - Default:

- 8.1 <u>Closing will occur on or before January 23, 2007</u> ("Closing Date"). The Closing will be deemed to occur upon payment of the Sale Price by cashier's or certified check, and delivery of the deed. All Closing costs, including transfer taxes and excise taxes, will be paid by Buyer.
- 8.2 If Closing fails to occur due to default by Seller, Buyer may terminate this Agreement as Buyer's sole remedy against Seller. In the event of such termination, neither Seller nor Buyer will have any further liability hereunder.

9. **Prorations:**

Local property taxes, if any, and other assessments due and payable in the year of Closing, as well as rental under any leases or Use Rights that are being assigned, will be prorated as of the date of Closing. Buyer will assume any installments of assessments not yet due and payable.

10. Negotiations - Brokers and Finders:

Negotiations relative to this transaction have been carried on by both parties without the intervention of any person which will give rise to any valid claim against either of the parties hereto, for brokerage commission or other like payment. Each party hereto shall indemnify and hold harmless the other party against and from any and all claims for brokerage commission or other like payment arising out of the transaction contemplated by this Agreement and occasioned by the indemnifying party.

11. Subdivision/Platting Compliance:

It may be necessary to comply with local or state subdivision or platting laws or regulations prior to Closing. All necessary applications, maps and other requirements to comply with this requirement will be completed by Buyer at Buyer's sole cost and expense, and are subject to review and approval by Seller before filing. If Buyer fails to comply with subdivision requirements prior to the Closing Date, or if any proposed subdivision plat or parcel map contains conditions affecting Seller, the Property prior to Closing, or other real property owned by Seller, then Seller, in its sole and absolute discretion, may terminate this Agreement. Seller is not obligated to extend the Closing Date due to Buyer's failure to comply with subdivision or platting requirements prior to the Closing Date.

12. Mortgage Release:

If the Property is subject to a blanket mortgage granted by Seller or a corporate predecessor of Seller, Seller will obtain a release within approximately six (6) months after Closing.

13. Eminent Domain:

The parties acknowledge that Buyer has the authority to condemn the Property under its power of eminent domain.

14. Land Use:

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 THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE

PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. 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, THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES, AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

15. Seller's Management Approval:

BUYER ACKNOWLEDGES THAT NEITHER THIS AGREEMENT NOR THE NEGOTIATIONS LEADING TO THIS AGREEMENT CREATE ANY OBLIGATION ON THE PART OF SELLER TO SELL THE PROPERTY TO BUYER UNLESS THIS AGREEMENT IS APPROVED IN ACCORDANCE WITH SELLER'S MANAGEMENT POLICY STATEMENT. IF SUCH APPROVAL IS NOT GIVEN AND COMMUNICATED TO BUYER BY THE CLOSING DATE, THIS AGREEMENT WILL TERMINATE AND NEITHER PARTY WILL HAVE ANY FURTHER OBLIGATION.

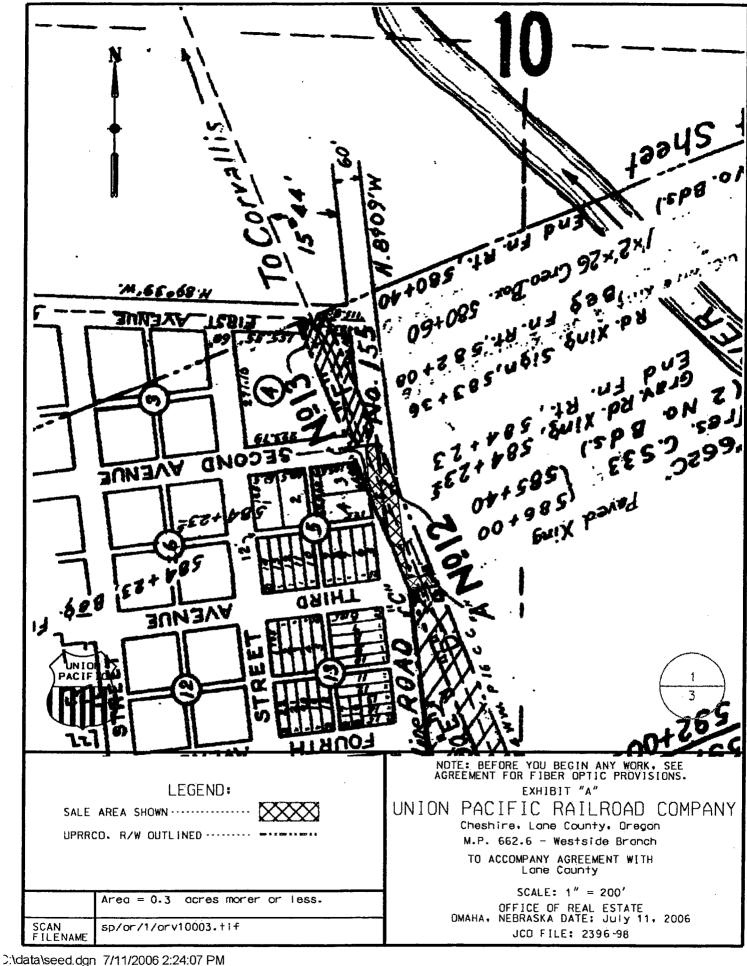
If you agree with the foregoing terms and conditions with respect to the possible purchase of the Property, please indicate your acceptance of these terms and conditions by signing in the acceptance space provided below and returning **both** originals to Union Pacific Railroad Company, c/o R. D. Rice, 1400 Douglas St., STOP 1690, Omaha, Nebraska 68179, in order that they are received **no later than November** 29, 2006. Please also indicate below how you wish to take title.

If you should have any questions, please call Julie McNeill in St. Louis at (314) 725-8090.

Sincerely,

General Director - Real Estate

ACCEPTED AND AGREED THIS	DAY OF	, 200
LANE COUNTY, A Political Subdivision of the State of	Oregon	
By: Signature		
Its: Please Print Name & Title	 	
Title to the Property will be taken as follo	ows:	
If a corporation, State of incorporation:		
If Husband and Wife, indicate how title	will be taken:	
Joint Tenants with rights of surv	vivorship	
Tenants in Common		
Community Property		
Mailing Address		



ATTACHMENT 2 LOCATION MAP

