

## **RESOLUTION NO. 2401**

### **A RESOLUTION OF THE CITY OF WILSONVILLE ACCEPTING AN OFFER TO PURCHASE SURPLUS REAL PROPERTY LOCATED AT 11650 SW TOOZE ROAD.**

WHEREAS, under and by virtue of the laws of the State of Oregon the City of Wilsonville is duly authorized and empowered to efficiently and economically dispose of real property that is determined by the City to be surplus; and

WHEREAS, the City owns real property located at 11650 SW Tooze Road and further described as tax lot 3S1W15 01100; and

WHEREAS, the City of Wilsonville, through its Urban Renewal Agency, acquired this property for \$4,150,000 in September 2006 for a primary school site in the Villebois neighborhood; and

WHEREAS, this site consists of 9.9 acres of land improved with a 1941 bungalow that is 1,470 SF in size with an additional 980 SF basement; and

WHEREAS, the site is also improved with outbuildings including a barn, a shed, a garage, and a pump shed; and

WHEREAS, this property was appraised by Zell and Associates in January 2006 to establish the purchase price for the City's acquisition of this property; and

WHEREAS, this appraisal determined that the Highest and Best Use of the property was for residential redevelopment and that the bungalow and outbuildings would have to be demolished to meet the Highest and Best Use, and thus no value was placed on the bungalow and outbuildings and they do not contribute to the value of the property; and

WHEREAS, subsequent to this purchase the propose school site was relocated to the east side of the Villebois neighborhood and the Urban Renewal Agency acquired an alternate school site in 2011;

WHEREAS, since the 1,470 SF bungalow does not contribute to the value of the 9.9 acre property and presents ongoing maintenance expenses and responsibilities, on June 18, 2012, the Wilsonville City Council declared this dwelling to be surplus property in Resolution #2370, attached hereto as Exhibit A and incorporated herein by reference, and authorized staff to dispose of it through sale and to be moved off of the remainder property; and

WHEREAS, staff advertised the property for auction for a nominal value in addition to the buyer covering all costs related to removing the dwelling from the site and site restoration; and

WHEREAS, staff published and advertised the terms of the surplus process on Friday, November 2, 2012 and Monday, November 5, 2012, as well as for an extended period of time on the City's website; and

WHEREAS, offers for the property were due to Staff by 2:00 PM on Wednesday, January 23, 2013; and

WHEREAS, the City received one offer to purchase the dwelling in the amount of Five Hundred One and no/100 Dollars (\$501.00) from Charlotte Lehan which is attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, the Urban Renewal Agency has no objections to this transaction as communicated by Kristin Retherford, the Urban Renewal Manager for the City's Urban Renewal Agency in a staff report attached hereto as Exhibit C and incorporated herein by reference; and

WHEREAS, the dwelling is to be sold "AS IS" on a cash basis; and

WHEREAS, if this offer is accepted by Council, the City Manager will enter into an agreement with the Buyer to specify the terms of the transaction including timing of the move, insurance, and site restoration requirements.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The 1,470 SF bungalow located on real property at 11650 SW Tooze Road and further described as tax lot 3S1W15 01100 has been declared surplus property and no longer needed by the City of Wilsonville for public use, and has been auctioned for sale.

2. The City Council has reviewed the single offer made on the dwelling, which was offered by Charlotte Lehan in the amount of Five Hundred One and no/100 Dollars (\$501.00) and accepts this offer.

3. The City Council authorizes the City Manager to execute all necessary agreements and deeds relating to the transaction.

4. In the event buyer fails to meet the terms of the accepted earnest money agreement, all rights of the buyer in said real property shall cease and all right, title and interest in said real property shall continue to remain vested in the City, free of any claim or equity in the buyer or

those claiming through the buyer, and the City shall retain all payments or deposits as liquidated damages for failure of buyer to complete the agreement.

5. This resolution is effective upon adoption.

ADOPTED by the City of Wilsonville at a special meeting thereof this 21st day of February, 2013 and filed with the Wilsonville City Recorder this date.

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TIM KNAPP, MAYOR

ATTEST:

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Sandra C. King, MMC, City Recorder

**SUMMARY OF VOTES:**

Mayor Knapp	Yes
Councilor Goddard	Excused
Councilor Starr	Yes
Councilor Fitzgerald	Yes
Councilor Stevens	Yes

**ATTACHMENTS**

- A. Resolution 2370
- B. Lehan Offer
- C. Letter from Urban Renewal Manager

**RESOLUTION NO. 2370**

**A RESOLUTION OF THE CITY OF WILSONVILLE DECLARING CITY-OWNED REAL PROPERTY LOCATED AT 11650 SW TOOZE ROAD AS SURPLUS PROPERTY AND AUTHORIZING STAFF TO DISPOSE OF THE PROPERTY THROUGH SALE**

WHEREAS, under and by virtue of the laws of the State of Oregon the City of Wilsonville is duly authorized and empowered to efficiently and economically dispose of real property that is determined by the City to be surplus; and

WHEREAS, the City owns real property located at 11650 SW Tooze Road and further described as tax lot 3S1W15 01100; and

WHEREAS, the City of Wilsonville, through its Urban Renewal Agency, acquired this property for \$4,150,000 in September 2006 for a primary school site in the Villebois neighborhood; and

WHEREAS, this site consists of 9.9 acres of land improved with a 1941 bungalow residence that is 1,470 SF in size with an additional 980 SF basement; and

WHEREAS, the site is also improved with outbuildings including a barn, a shed, a garage, and a pump shed; and

WHEREAS, this property was appraised by Zell and Associates in January 2006 to establish the purchase price for the City's acquisition of this property; and

WHEREAS, this appraisal determined that the Highest and Best Use of the property was for residential redevelopment and that the bungalow and outbuildings would have to be demolished to meet the Highest and Best Use, and thus no value was placed on the bungalow and outbuildings and they do not contribute to the value of the property; and

WHEREAS, subsequent to this purchase the proposed school site was relocated to the east side of the Villebois neighborhood and the Urban Renewal Agency acquired an alternate school site in 2011;

WHEREAS, the City of Wilsonville has no further public need for the dwellings and outbuildings on this property; and

WHEREAS, property values have decreased significantly since the time of purchase and at this time the City would not be able to recover the amount invested in the property; and

WHEREAS, the City paid \$419,000 per acre for this property in 2006 and sales since 2011 have ranged between \$28,000 per acre and \$290,000 per acre

WHEREAS, it is in the public's best interest for the City to retain this land until land values have increased; and

WHEREAS, since the 1,470 SF bungalow does not contribute to the value of the property and presents ongoing maintenance expenses and responsibilities, it would be economically beneficial to the City to declare this dwelling as surplus property and dispose of it through sale while retaining ownership of the 9.9 acres of land upon which the dwelling sits; and

WHEREAS, staff has received cost estimates for moving the dwelling off-site and site restoration including decommissioning and disconnecting all related utilities, performing any necessary environmental abatements, and removing the dwellings foundation and backfilling the basement; and

WHEREAS, staff proposes that the dwelling be auctioned for a nominal value in addition to the buyer covering all costs related to removing the dwelling from the site and site restoration; and

WHEREAS, staff proposes to publish and advertise the terms of the surplus process subsequent to this public hearing under which it will consider offers to purchase and remove the dwelling and restore the site; and

WHEREAS, the City will review any reasonable offer but has the right to accept or reject any and all offers; and

WHEREAS, the dwelling is to be sold "AS IS" on a cash basis; and

WHEREAS, any offer accepted for the dwelling must result the buyer meeting all established criteria for site restoration within six months of an Earnest Money Agreement, which will allow buyer sufficient time to obtain any needed land use approvals.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The 1,470 SF bungalow located on real property at 11650 SW Tooze Road and further described as tax lot 3S1W15 01100 is hereby declared surplus property and no longer needed by the City of Wilsonville for public use.

2. City staff will publish and advertise the terms of the surplus process subsequent to this public hearing under which it will consider offers to purchase and remove the dwelling and restore the site.

3. City will review any reasonable offer but has the right to accept or reject any and all offers.

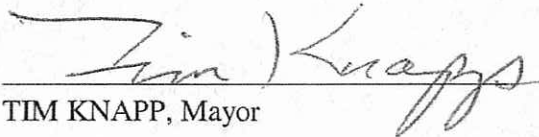
4. All offers must be reviewed and either accepted or rejected by City Council.

5. The City Council authorizes the City Manager to execute all necessary agreements and deeds relating to the transaction.

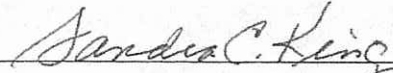
6. In the event buyer fails to meet the terms of the accepted earnest money agreement, all rights of the buyer in said real property shall cease and all right, title and interest in said real property shall continue to remain vested in the City, free of any claim or equity in the buyer or those claiming through the buyer, and the City shall retain all payments or deposits as liquidated damages for failure of buyer to complete the agreement.

7. This resolution is effective upon adoption.

ADOPTED by the City of Wilsonville at a regular meeting thereof this 18th day of June, 2012 and filed with the Wilsonville City Recorder this date.

  
TIM KNAPP, Mayor

ATTEST:

  
Sandra C. King, City Recorder, MMC

SUMMARY OF VOTES:

Mayor Knapp	Yes
Councilor Nunez	Excused
Councilor Goddard	Yes
Councilor Starr	Yes

Scale 1:1,200  
1 in = 100 ft



Resolution No. 2370

**CITY COUNCIL MEETING  
STAFF REPORT**

<b>Meeting Date: February 21, 2013</b>	<b>Subject: Acceptance of offer to purchase surplus dwelling located at 11650 SW Tooze Road.</b>  <b>Staff Member: Kristin Retherford</b> <b>Department: Urban Renewal Manager</b>
<b>Action Required</b>	<b>Advisory Board/Commission Recommendation</b>
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: June 18, 2012 <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<input type="checkbox"/> Approval <input type="checkbox"/> Denial  <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable  <b>Comments:</b>

**Staff Recommendation:**

As the City’s Urban Renewal Manager, I present this memo in support the surplus sale of the dwelling located at 11650 SW Tooze Road and re-affirm that the dwelling is not needed for a public purpose. As presented during the public hearing at which the dwelling was declared surplus, the property appraisal at the time of purchase found that the dwelling did not contribute to the value of the property. The dwelling is in need of a number of costly repairs to be habitable and demolishing the dwelling on-site also results in significant expense to the City. Further, keeping the property on site with no maintenance or use would create an attractive nuisance with potential risks. Selling the dwelling to another party for removal to another site is the least-cost option to the City with the most benefits.