



Filtration Access Property Acquisition

Updated: March 1, 2020

March 3, 2021 Portland Water Bureau Council Action

Authorize the City of Portland, on behalf of the Portland Water Bureau to purchase 2.00 acres of real property at 35227 SE Carpenter Lane (Subject Property) in the amount of \$875,000 plus closing and relocation costs to be used for the Bull Run Filtration Project (Ordinance)

Background

In 2017, through Resolution # 37309, Portland City Council directed the Water Bureau to design the Bull Run Filtration Project (Project) to comply with the Environmental Protection Agency's Long Term 2 Enhanced Surface Water Treatment Rule. The Project site is located on 90 acres of City-owned land in east Multnomah County.

Access to the Project Site is from SE Carpenter Lane, which is a paved narrow local road that also serves neighboring residences and nursery businesses. Filtration project designers recommend improving project site access by relocating the access to SE Dodge Park Boulevard. Relocating the access as recommended requires the Portland Water Bureau to acquire additional property.

Subject Property: 35227 SE Carpenter Lane

Spring of 2020, the property owners (Owners) at 35227 SE Carpenter Lane, located north and adjacent to the Project site informed the Water Bureau they intended sell the Subject Property and inquired if the City was interested in purchasing it for the Project.

The Subject Property includes 2.00 acres of land located north of the project site and adjacent to the west of property the City purchased in 2019. The Subject Property includes a 4-bedroom, 3-bathroom home, an accessory dwelling unit, and a detached garage.

An appraisal prepared for the Water Bureau in September 2020 estimated the market value of the Subject Property was \$825,000.00. The Owners agreed to sell the property to the City for \$875,000.00, the appraised value plus 6% to account for the Subject Property's increased value between the appraisal date and a likely closing date, if approved by Council. In addition to the purchase price, the Owners will be entitled to closing costs and relocation benefits outlined under Oregon Revised Statutes, Chapter 35. Closing cost are anticipated to cost less than 3% of the purchase price, or \$26,000. Relocation benefits are estimated to cost approximately \$100,000.00, but the actual cost will be determined when the Water Bureau executes the agreement, if approved by City Council.



Property Acquisition Benefits

- Purchasing the Subject Property from a willing seller eliminates the possibility the City would need to exercise its eminent domain authority to acquire it from a different owner in the future.
- If site access is relocated through the Subject Property, permanent impacts to neighbors on SE Carpenter Lane may be significantly reduced.
- Access to the Project Site is a key issue that neighbors consistently raise through the public engagement process. Acquiring the Subject Property now will help the Water Bureau advance access plans and have greater certainty about its control of the land needed to build the design
- The property may be able to be rented for a period of time before construction begins if it isn't needed for other Project purposes.