

**URBAN RENEWAL AGENCY BOARD MEETING MINUTES
APRIL 13, 2015**

0:00 **DATE COUNCIL CHAMBERS, CITY HALL, CITY OF WOODBURN, COUNTY OF MARION, STATE OF OREGON, APRIL 13, 2015**

CONVENED The meeting convened at 6:45 p.m. with Member Lonergan residing.

ROLL CALL

Chair Figley	Absent
Member Schaub	Present
Member Lonergan	Present
Member Carney	Present
Member Morris	Present
Member Ellsworth	Present
Member Alonso Leon	Present

Staff Present: City Administrator Derickson, Assistant City Attorney Stuart, Public Works Director Scott, Assistant City Administrator Row, Human Resources Director Hereford, Economic and Development Director Hendryx, Urban Renewal Manager Stowers, Communications Coordinator Horton, City Recorder Pierson

0:00 **CONSENT AGENDA**

A. Urban Renewal Agency minutes of March 23, 2015.
Ellsworth/ Alonso Leon... adopt the Consent Agenda. The motion passed unanimously.

0:01 **URG 2015-06 225 W. HAYES STREET (CHAY PROPERTIES, LLC)**

Urban Renewal Manager Stowers provided a staff report. Ann Chay, of Chay Properties, stated that this building is strong structurally but the roof leaks and before they do any work inside they need to fix the roof. She added that they plan on using this building for office space. Member Lonergan asked if they would be willing to sign something stating that if they sold it in five years they would repay the city the grant money and Ann Chay replied that it would not be a problem. **Morris/Alonso Leon...** approve URG 2015-06 225 W. Hayes Street (Chay Properties, LLC) (Applicant) for up to \$5,700 with the amendment that there will be repayment of the grant if the property is demolished or sold within a five year period. On roll call vote the motion passed unanimously.

0:11 **ADJOURNMENT**

Morris/Schaub... meeting be adjourned. The motion passed unanimously.
The meeting adjourned at 6:58 p.m.

APPROVED _____
KATHRYN FIGLEY, CHAIR

ATTEST _____
Heather Pierson, City Recorder
City of Woodburn, Oregon



Agenda Item

April 27, 2015

TO: Urban Renewal Agency Board

FROM: Jim Hendryx, Economic and Development Services Director
 Robyn Stowers, Urban Renewal Manager

SUBJECT: **Association Building and N. 1st Street Properties Appraisal**

RECOMMENDATION

It is recommended to approve the use of \$5,200 to contract Integra Realty Resources, Inc. to appraise the Association Building and four City-owned lots on N. 1st Street.

BACKGROUND

At the March 9th Urban Renewal Agency Board visioning session, the Agency directed staff to obtain an appraisal for the Association Building with the intent to sell the property. The Agency also discussed preparing four lots on N. 1st Street for development.

DISCUSSION

The City received three appraisal estimates for the Association Building and the N. 1st Street properties from Robert Gill & Associates, a Portland-based company specializing in real estate appraisal and consulting; Epic Land Solutions, Inc., a regional (California, Oregon, Washington, Idaho) real property/right of way consulting firm; and Integra Realty Resources, Inc., a Portland-based company that specializes in commercial real estate market research, valuations and consulting.

Company	Association Building	1 st Street Properties	Total
Robert Gill	\$2,500	\$1,500	\$4,000
Epic Land	\$5,250	\$3,650	\$8,900
Integra Realty	\$3,400	\$1,800	\$5,200

Estimates include costs for the two sites separately (above), and the timelines run from 4-6 weeks. The appraisal for the Association Building is more complex and time-consuming, resulting in a higher fee compared to the residential site.

All estimates appraise the Association Building "as is" without any further investment, and the four N. 1st Street properties "as vacant", with the assumption they will be cleared and ready for development and sold as one lot.

Based on the proposals, we recommend selecting Integra Realty Resources, Inc., as it is the only proposal to include an income capitalization approach. This method evaluates the "market rent" that a property can be expected to earn and the "reversion" (resale) when a property is sold. This evaluation will demonstrate the income limitations of the property and assist the City in marketing the property to find a buyer/developer.

FINANCIAL IMPACT:

Budget expenses which are minor in nature are typically handled administratively and do not require Council/Agency action. However, in this instance, since the Agency requested the expenditures, the expenditure is being presented to the Agency for its approval.

Adequate funds are budgeted to cover appraisal expenses.

Attachments:

1. Robert Gill & Associates Appraisal Estimate
2. Epic Land Solutions Appraisal Estimate
3. Integra Realty Resources, Inc. Appraisal Estimate

ROBERT GILL & ASSOCIATES

REAL ESTATE APPRAISAL AND CONSULTING SERVICES

April 2, 2015

Robyn Stowers
Urban Renewal Manager
City of Woodburn
270 Montgomery St.
Woodburn, OR 97071

We are pleased to submit this proposal for professional valuation services regarding

Property A: Association Building, Marion County Tax Lot 051W18AB03400

**Property B: Four City Lots (To be appraised as one for development)
Marion County Tax Lots 051W18BA-10200, -10300, -12100, -12000**

Our service will comprise a full appraisal including all investigations and analyses that are typically applied in the appraisal of a property of this type, and we will prepare an appropriate narrative report for each property. The purpose of the appraisal service will be to estimate the market value of the fee simple interest in the real estate, as of the date of our inspection. The only authorized function of the appraisal will be for consideration by the City of Woodburn in matters relating to urban renewal. To the best of our knowledge and belief, this appraisal service will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

The reports will be provided by email as a pdf file. Up to 3 printed copies will be provided at your request for no additional charge.

Our fee will be based on the professional time required to complete the work and it is in no way contingent upon the outcome of our conclusions. Based on our understanding of your requirements the fee for this engagement will be

Property A only: \$2,500 including expenses
Property B only: \$1,500 including expenses
Properties A and B combination price: \$3,500 including expenses

If timing is not a factor, we would like about 4 weeks to complete this project. However, if timing is critical we will provide our reports within 2 weeks of authorization, assuming no unforeseeable circumstance.

Robert Gill & Associates will invoice you for the full amount upon delivery of the report. This invoice is due and payable upon receipt and prompt payment is requested. Interest of 1% per month will be charged on any amount more than 30 days past due. You will be liable for payment of any reasonable attorney fees or collection costs incurred in the collection of any invoice that is over 60 days past due.

To confirm your approval of the engagement as described, please sign and return a copy of this letter by mail, fax or pdf. In accepting, you acknowledge that your reliance on the appraisal (once received and accepted) will be subject to the appropriate assumptions, premises, and limiting conditions, which will be listed in the report. If you want to see these in advance, please ask.

We sincerely appreciate the opportunity to serve you, and you may be assured that this project will be completed in a timely and professional manner.

PRESENTED BY
SIGNATURE 
Robert R. Gill, MAI

ACCEPTED BY
SIGNATURE _____
NAME _____
TITLE _____
DATE _____

Epic Land Solutions, Inc.

10300 SW Greenburg Rd, Ste 370
Portland, OR 97223

Phone: 503-213-3977

Fax: 503-244-0627

April 10, 2015

Robyn Stowers
Urban Renewal Manager • City of Woodburn

RE: Appraisal Estimate for Association Building and four additional vacant lots

Dear Ms. Stowers,

Epic Land Solutions, Inc. is pleased to provide this proposal for appraisal activities. The subject properties are listed under our Scope and are all located in Woodburn, OR. Epic's appraiser is prepared to begin immediately.

Epic's staff are experts in delivering appraisal and right of way services in Oregon. Epic has prepared appraisals for the City of Woodburn, as well as many other cities, counties, utilities, and ODOT. As such, Epic has an advanced understanding of geographic considerations and local real estate market trends for all major property types and zonings in the region. This pointed experience has afforded our team a unique understanding of the appraisal considerations for the proposed project.

James Arnett will be the assigned appraiser. James is a State Certified General Appraiser, Candidate for Designation of the Appraisal Institute, and an ODOT approved appraiser. With over 20 years of combined experience as a general contractor and an appraiser, Mr. Arnett has a significant and varied real estate background spanning the Portland metro area, as well as the north Willamette Valley and coastal region.

Mr. Arnett specializes in the valuation of proposed and existing residential development including subdivisions, apartments, and condominiums, as well as commercial and agricultural land for lending, disposition, litigation, tax appeal, and asset management.

Additionally, James has performed significant valuation work for State and local agencies in their conservation and public use efforts. As such, he is well versed in Uniform Act appraisal methodology affecting public agency appraisal assignments in Oregon and Washington. Some of

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Mr. Arnett's clients have included the following: The Oregon Department of State Lands, Metro, the City of Portland Bureau of Environmental Services, Clean Water Services, the City of Wilsonville, the City of Tigard, the Tigard-Tualatin School District, Tualatin Hills Parks and Recreation District, and the Trust for Public Lands. Upon request, a recent appraisal report can be provided.

Born and raised in Oregon, James graduated from the University of Oregon in 1993 with a Bachelor's degree in English and a minor in Environmental Science. As a Candidate for Designation, he has completed all the necessary advanced education required by the Appraisal Institute as well as specialized education including condemnation and eminent domain.

Since 2000, Epic Land Solutions has been providing turnkey Right of Way consulting as woman-owned certified business. Our company is certified as M/W/ESB in the State of Oregon, as well as DBE in Washington, Idaho, and California.

Epic has the availability and capacity to deliver this appraisal within 45 days from Notice to Proceed.

Properties to be appraised.

Association Building

Address	Tax Lot	Acres
347 N Front Street	051W18AB03400	0.12

Four City Lots

To be appraised as one for development.

Structures on the lot are scheduled to be cleared to prepare for development:

Address	Tax Lot	Acres
200 – 212 W Cleveland Street	051W18BA10200	0.13
137 N 1 st Street	051W18BA10300	0.11
175 N 1 st Street	051W18BA12100	0.15
200 BLK Oak Street	051W18BA12000	0.11

Scope

- Determine fair market value, following USPAP guidelines, and applicable State laws.
- One (1) paper and one (1) electronic copy of the appraisal will be provided. More copies will be provided upon request at no additional charge.

Schedule

Epic will commence immediately and deliver completed Appraisal Report within 45 days from Notice to Proceed.

Fees

Address	Flat Fee Amount
347 N Front Street	\$5,250
200 – 212 W Cleveland Street	\$3,650
137 N 1 st Street	
175 N 1 st Street	
200 BLK Oak Street	
Total	\$8,900

Key Cost assumptions:

- The assemblage of lots to be appraised “as vacant” and appraised together in a single report.
- The Association Building to be appraised “as is”.
- Cost to obtain information from outside parties such as: contractors, designers, architects, structural engineers not included.
- City will provide approval prior to engaging the services of outside parties
- Title Reports, if needed, will be provided by or purchased by the City of Woodburn
- Appraisal Review may be conducted under a separate task order if the city moves forward with an acquisition.

ACCEPTED:

City of Woodburn

Signature _____

Title _____

Date _____

Robyn Stowers

From: Owen Bartels <obartels@irr.com>
Sent: Thursday, April 02, 2015 9:24 AM
To: Robyn Stowers
Subject: Appraisal project

Robyn,

Thank you for taking the time to discuss the Woodburn Association Building and the DDC zoned lots this morning. Per our conversation, I would be happy to work with you on this and propose the following:

With the Association Building, 347 N Front Street, I understand you would like a narrative appraisal report addressing the as-is value of that building in its current seismically braced but shell condition. I would anticipate pursuing a sales comparison and an income capitalization approach, and would absolutely appreciate a copy of the renovation estimates you have received. The fee for that appraisal would be \$3,400 and I can deliver the report within 6 weeks of engagement.

With regard to the lots at 175 and 137 N 1st Street and 200 W Cleveland, my understanding is that you would like those appraised under the hypothetical condition that they have been cleared and are ready for development, with the assumption they would be made available to a single purchaser for the entire 17,000 SF. My fee for that work would be \$1,800, again with delivery within 6 weeks of engagement.

The fees indicated above are inclusive of preparation and delivery of complete appraisal reports. I am happy to participate in additional public meetings or council discussions relating to the buildings after delivery but will consider that an expansion of the scope of the assignment and bill at my standard hourly rate, which is \$250 per hour.

Of course please let me know if you have any additional questions. I look forward to the opportunity to be of service.

Owen Bartels, MAI, MRICS
Managing Director
Integra Realty Resources – Portland
1220 SW Morrison, Suite 800
Portland, OR 97205
Direct: 503.478.1016
www.irr.com/portland