

# COBURG CITY COUNCIL

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## TOPIC: Resolution 2022-03, Property Exchange Agreement with Shepard Investment Group, LLC, and Acceptance of Donation of \$40,000 Land Value

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Meeting Date: January 11, 2022

Staff Contact: Anne Heath, City Administrator

Contact: 541-682-7870, [anne.heath@ci.coburg.or.us](mailto:anne.heath@ci.coburg.or.us)

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### REQUESTED COUNCIL ACTION:

#### Approve Resolution 2022-03

**Suggested Motion:** I move to approve Resolution 2022-03, a Resolution Approving the Property Exchange Agreement with Shepard Investment Group LLC, and Acceptance of Donation of \$40,000 Land Value.

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### BACKGROUND

On August 4<sup>th</sup> the City Council held a work session regarding the purchase of the property. Staff was given direction to move forward with the purchase of the property.

The City had an appraisal conducted on both properties and the Shepard property is significantly more valuable as reflected in the attached appraisal. However, the family is willing to consider the swap and donate the difference in value for the property. Their only stipulation is that they would like their late daughter, Laura, considered in the naming or dedication in the park. Their daughter grew up in this area, attended a local high school, and the entire family has ties to this community.

The City Administrator designed a property exchange agreement which was reviewed by legal, a real estate agent, and the legal representative for the Shepard Family. The attached is the final draft agreement after all input was considered.

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### DETAILS OF THE EXCHANGE

- 1. PROPERTY TO BE EXCHANGED.** The City of Coburg agrees to convey to Shepard Investment Group LLC a portion of the property owned at tax lot 16-03-32-11-02001, 91136 N. Willamette Street, Coburg, Oregon, as shown on map attached hereto as EXHIBIT A ("Parcel One"). Shepard Investment Group LLC agrees to convey to the City of Coburg the

real property known as tax lot 16-03-33-23-02500 located in the township of Coburg adjacent to park known as Pavilion Park, and as shown on map attached hereto as EXHIBIT B ("Parcel Two"). This will be recorded as a lot line adjustment and will be recorded with Lane County.

- 2. VALUATION OF PARCEL ONE.** For the purpose of the exchange to be effected under this Agreement, the parties agree to a **value of Parcel One as \$230,000** which is less than the **value of Parcel Two which is valued at \$270,000**.
  - 3. SETTLEMENT OF A DIFFERENCE IN VALUE.** Neither party shall pay the other any money to settle any difference in values of the parcels. Shepard Investment Group LLC agrees to donate the difference of \$40,000 to the City of Coburg. The City of Coburg agrees to accept a donation in the difference of value of the two parcels.
  - 4. DEDICATION/NAMING OF PARK AREA.** The Shepard Family request for a dedication within the park for their daughter Laura, will be honored. The City agrees to assign representatives from the Coburg Park and Tree Committee to work with the Shepard Family to finalize, design and implement this dedication.
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#### **ADDITIONAL CONSIDERATIONS**

1. The City of Coburg agrees to pay all expenses for recording of deeds required by this agreement.
  2. Parcel One contains a septic tank that serves City Hall. The septic tank will be retained on the property and will be maintained by the City of Coburg. An easement for said tank will be executed as part of this agreement.
  3. This Agreement contains the entire agreement between the parties pertaining to the subject matter continued in it and supersedes all prior and contemporaneous agreements, representation and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties.
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#### **IMPACT AND GAIN TO THE CITY**

The City will lose some parking spaces to the south end of the back parking lot which is normally used for police to store older vehicles, equipment and the Police shed. The shed will need to be moved to the north end of the parking lot directly behind the large tree. Surplus vehicles and equipment may be moved to the sewer plant for storage. The City will also give up

the grass area directly behind the neighboring building to the south. The City does not use this area except that the septic for City Hall is present in that area. This agreement provides for an easement for the septic.

The buildings to the south owned by Shepard Investments have very little parking and thus employees park in available areas on the street and in public parking. This provides parking areas for the buildings as required by City Development Code.

The City will gain ownership of land currently being used as parkland in pavilion park. This ensures that it will continue to be public space and not sold and developed which would reduce the size of the park significantly when development took place.

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#### **BUDGET / FINANCIAL IMPACT**

The funding for the exchange of this property will be paid through professional fees. There will be work required by the planning and legal department to review and prepare the lot line adjustment, and for the City Recorder to record with Lane County

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#### **RECOMMENDATION AND ALTERNATIVES**

Staff recommends that the Council adopt resolution 2022-03.

The alternative is to not adopt it and the exchange of the property would not take place.

The City could consider an offer to purchase the land at Market Price. However, currently there are no funds to apply to a purchase.

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#### **PUBLIC NOTICE/INVOLVEMENT**

Public Comment at City Council

Discussions and planning with Park & Tree Committee have taken place

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#### **NEXT STEPS**

The Staff will move forward to move the property exchange through escrow as soon as signed by both parties

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## **ATTACHMENTS**

- A. Resolution 2022-03
  - B. Property Exchange Agreement
  - C. Property Appraisal Report
  - D. Exchange area Map
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## **REVIEWED THROUGH**

Gary Darnielle, City Attorney

Henry Hearley, City Planner

Sammy Egbert, City Recorder

Chris Bevans, Shepard Investment Group, LLC

## RESOLUTION 2022-03

**A RESOLUTION APPROVING** The Property Exchange Agreement with Shepard Investment Group, LLC, and Acceptance of Donation of \$40,000 Land Value

**WHEREAS**, the City wants to acquire ownership of the lot abutting the south end of Pavilion Park which has been utilized as parkland for many years, but currently is not owned by the City; and

**WHEREAS**, the Shepard Investment Group is willing to enter into a property exchange for property located to the south of City Hall; and

**WHEREAS**, an appraisal of the properties has reflected a difference of value of the two properties in the amount of \$40,000; and

**WHEREAS**, The Shepard Investment Group is willing to donate the difference in the value of the properties in order for the exchange to take place.

### **NOW THEREFORE, THE COBURG CITY COUNCIL RESOLVES AS FOLLOWS:**

The City Council of the City of Coburg hereby approves the attached Property Exchange Agreement with Shepard Investment Group, LLC, and accepts a land donation in the amount of \$40,000 which represents the difference in value of the two properties.

**Adopted** by the **City Council** of the **City of Coburg**, Oregon, by a vote of \_ for and \_ against, this 11th day of January, 2022.

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Ray Smith, Mayor

ATTEST:

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Sammy L. Egbert, City Recorder