



REQUEST FOR COUNCIL ACTION

Title: City Hall Land Swap and Property Line Adjustment

Preferred Agenda: 6/23/2020

Submitted By: Blair Larsen, Community & Economic Development Director

Reviewed By: Ray Towry, City Manager

Type of Action: Resolution X Motion ____ Roll Call ____ Other ____

Relevant Code/Policy: SHMC 10.04.030: Powers of the City Council

Towards Council Goal: Aspiration I: Desirable Community; Goal 2: Effective and Efficient Government; Goal 3.2: Methods to Improve Community Design

Attachments: Resolution No. 19 for 2020, Exhibit A: City Hall Park Property Line Adjustment Site Plan, Exhibit B: City Hall Park Exchange Agreement, PLA19-08 Application, City Hall Park Land Swap Appraisal

Purpose of this RCA:

City Staff are proposing a property line adjustment between the City-owned parcels adjacent to City Hall and the neighboring property to the east. This adjustment would correct an encroachment problem, as well as provide access to the City Hall park area for the Duck Hollow subdivision south east of City Hall. In addition, this property line adjustment would combine the three lots that currently make up the park area east of the City Hall building into one lot, which will simplify any future park development.

Background/Context:

The property to the east of the new City Hall, currently owned by Mr. Daniel Smith, has a driveway across the easternmost of the City-owned parcels. This condition has existed for over 50 years. An verbal agreement was struck between Mr. Smith and the City of Sweet Home to deed the portion of land on which Mr. Smith's driveway sits to Mr. Smith, and in exchange Mr. Smith would deed 1,929 square feet at the southern end of his property to the City, so that, in the future, the City can build a sidewalk from the City Hall park area to the Duck Hollow neighborhood to the Southeast.

For a property exchange, Oregon State Statute requires that an appraisal of the properties be conducted, and that the cost of such appraisal must be equally borne by both parties. The City had an appraisal conducted, which revealed that the properties are of equal value.

City Staff solicited estimates for the survey and recording costs necessary to complete the transaction and found the lowest estimate to be \$2,000. Mr. Smith agreed to the cost of the appraisal but has stated that he can only contribute \$500 toward the survey and recording.

This RCA covers the planning application to adjust the property lines and an agreement for the actual exchange of real property. Both the agreement and property line adjustment are contingent upon approval from Mr. Smith's mortgage-holder. Mr. Smith is working through that process right now.

The Challenge/Problem:

How does the City resolve an encroachment onto its property, provide neighborhood access to City Hall and a potential park, and make future development of a park next to City Hall easier?

Stakeholders:

City of Sweet Home: As the owner of the property, the City has an interest in maintaining and exerting control over the property. In addition, the City is tasked with providing residents with parks and access to parks.

Mr. Daniel Smith: the owner of the property to the east of City Hall, and the user of a driveway that currently sits on City property.

City of Sweet Home Residents, especially those in the Duck Hollow Subdivision: Residents have expressed a desire for good access to park facilities. As the closest residential subdivision to City Hall, Duck Hollow Subdivision residents have an interest in access to any park developed on the City's property.

Issues and Financial Impacts:

City of Sweet Home: The cost of the appraisal was \$3,500, of which the City's share is \$1,750. Surveying and recording fees associated with this action are estimated to be approximately \$2,000, of which, the agreement states that the City would pay \$1,500. These costs amount to a total of \$3,250. Any future park development, the construction of a walkway to the Duck Hollow Subdivision, and associated fencing, will require additional funds.

Mr. Daniel Smith: Under the agreement, Mr. Smith will not have to give up use of his driveway but will lose a portion of his property. He agreed to pay half of the appraisal costs, \$1,750, and \$500 towards the survey and recording costs, for a total of \$2,250. Mr. Smith has stated that he is unable to pay more of the survey and recording costs.

Elements of a Stable Solution:

An ideal outcome would eliminate the encroachment onto City property, preserve good relations with a neighboring property owner, and provide nearby residences with safe pedestrian access to a potential park.

Options:

1. Do Nothing. Leave the parcels intact.
2. Adopt Resolution No. 19 for 2020, authorizing the City Manager to sign the exchange agreement and authorize the City Manager or Designee to sign the attached Property Line Adjustment application.
3. Recommend changes to the property Line Adjustment and exchange agreement.
4. Direct Staff to find a different way to either resolve the encroachment, provide access to the potential park, or both.

Recommendation:

Staff recommends either option 2, *motion to adopt Resolution No. 19 for 2020, authorizing the City Manager to sign the exchange agreement and authorize the City Manager or Designee to sign the attached Property Line Adjustment application.*