



REQUEST FOR COUNCIL ACTION

Title: 24th Avenue Land Exchange Agreement

Preferred Agenda: August 10, 2021

Submitted By: Blair Larsen, Community & Economic Development Director

Reviewed By: Ray Towry, City Manager

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

Relevant Code/Policy: Sweet Home Charter Chapter II, Section 3

Towards Council Goal: Goal #4: Economic Strength

Attachments: Land Exchange Agreement with Exhibits A, B, and C
Appraisal Report
Partition Planning Application
Conditional Use Planning Application

Purpose of this RCA:

The purpose of this RCA is to authorize the City Manager to sign a land exchange agreement with Reliable Welding, Inc. (2324 Main Street) that is necessary to expand 24th Avenue from the current 42-foot-wide right-of-way to a 82-foot right-of-way. This expanded road is needed to provide access into the County-owned former Weyerhaeuser Mill site to the north and the City-owned property beyond (the former Knife River/Morse Brothers quarry).

Background/Context:

The former Weyerhaeuser mill site currently owned by Linn County has long been vacant, and many efforts have been and continue to be made to redevelop the property. One of the weaknesses of that property is that the current access off Tamarack Street is small and inadequate for large scale redevelopment. At the same time, access to the City's property to the north is limited to Zelkova, another narrow street that is inadequate for the planned redevelopment of that property into the future home of the Oregon Jamboree.

For the past couple of years, City Officials and Staff have been working toward creating a sufficiently large right-of-way that can serve both properties. 18th Avenue and Tamarack were considered but are too small for the planned uses and the number of properties along those roads makes widening them complex and difficult. Similarly, Clark Mill Road and Zelkova Street are inadequate, and widening would impact many private parcels. 24th Avenue can be expanded with approval of only three property owners: Linn County, the City of Sweet Home, and Reliable Welding, Inc. Staff identified this as the preferred option.

The extension of 24th Avenue to the north will require a railroad crossing. Albany & Eastern Railroad and ODOT have agreed to the City's plan, and a crossing order is pending.

Oregon state law required an appraisal of the properties involved in the land swap, which was completed in March 2020, and is attached to this RCA. That appraisal found that the properties are roughly equal in value. Oregon Law also requires that the cost of the appraisal be borne equally by both sides. The total cost of the appraisal was \$3,500.

City Staff negotiated the attached exchange agreement with the owners of Reliable Welding, Inc., Nick and Dan Hutchins. They required that a 60-foot-wide strip of land (currently a part of the City Public Works Yard) be conveyed in a parcel separate from their existing property, both sides to sign an environmental indemnity agreement, and for the City to pay \$1,750. In exchange, they will give to the City a 49-foot-wide strip of land along 24th Avenue that will be used to widen the right-of-way. The agreement also states that the physical status quo of the properties will remain until either party begins development.

Linn County is currently reviewing proposals for the development of its property and has included the extension of 24th Avenue through the property as a requirement.

The Challenge/Problem:

How does the City provide sufficient street access for future development on the County's mill property and the City's quarry property? How does the City ensure transportation access for the future site of the Oregon Jamboree?

Stakeholders:

- Reliable Welding, Inc. – Reliable Welding deserves the continued enjoyment of their property and fair compensation for any portion contributed to the right-of-way, and the inconvenience of a changing intersection that they neither need nor asked for.
- Sweet Home Residents – Residents deserve responsible use of City funds and development that serves their needs and interests.
- Sweet Home Visitors – Visitors are attracted by well-planned developments that provide desired amenities.
- Sweet Home City Council – The Council is responsible for decisions regarding the disposition and development of City property, including public rights-of-way. The Council has also set goals regarding economic development.
- Sweet Home Staff – Staff need direction and support from the Council in order to accomplish the Council's goals and protect the public's interests.
- Sweet Home Businesses – Sweet Home Businesses benefit from the additional visitors and traffic brought by events like the Jamboree and the development of large parcels of land, such as the County's mill property.
- The Oregon Jamboree – The Jamboree desires an improved, more permanent venue to put on its event and other similar events in the future.
- Linn County – Linn County is interested in access improvements that promote the development of its property. This interest also applies to future purchasers of the property.

Issues and Financial Impacts:

The City has already paid \$3,500 for an appraisal, of which half will be repaid by Reliable Welding. The additional \$1,750 to Reliable Welding may be paid using the Economic Development Fund, which has sufficient budgeted funds to handle this amount. The City will also bear the cost of a land survey and recording with the County, which is expected to amount to approximately \$3,000, which may also be paid out of budgeted funds in the Economic Development Fund.

Elements of a Stable Solution:

A stable solution would provide sufficient vehicular access to the City's and County's lands in a just and fair manner.

Options:

1. Do Nothing – Leave the properties as they are and provide no additional access. This will also result in the abandonment of the City's efforts to create a rail crossing for 24th Avenue.
2. Authorize the City Manager to sign the Exchange Agreement, Partition Application and Conditional Use Application – This will allow Staff to proceed with the negotiated agreement and increase the width of 24th Avenue.
3. Direct Staff to research other options – Direct staff to research other ways to provide sufficient access to the City's and County's property.

Recommendation:

Staff recommends option 2, Authorize the City Manager to sign the Exchange Agreement, Partition Application and Conditional Use Application.