


Stephen L. Madkour
County Counsel

MEMORANDUM

TO: Board of County Commissioners

FROM: Jeffrey D. Munns, Assistant County Counsel 

DATE: March 28, 2023

RE: Oak Lodge Library land purchase at NCPRD Concord property

Kathleen Rastetter
Scott C. Ciecko
Amanda Keller
Nathan K. Boderman
Shawn Lillegren
Jeffrey D. Munns
Andrew R. Naylor
Andrew Narus
Sarah Foreman
Assistants

BACKGROUND

On March 15, 2023 the NCPRD Board of Directors considered the options of leasing or selling land to Clackamas County for the construction of the new Oak Lodge Library. After consideration of the attached Staff Report and Memo (“Attachment 1”) and discussion with staff the NCPRD Board of Directors voted to approve a sale of the land necessary to construct the new Oak Lodge Library. The Board directed staff to prepare both the purchase and sale agreement and an IGA for the construction and operation of the new Oak Lodge Library at the Concord property.

The options had previously been discussed with the Board of Directors during the December 7, 2022 meeting and then with a joint meeting of the Concord Advisory Task Force, Library Advisory Board and the NCPRD District Advisory Committee. The members of these organizations supported a purchase of the property and that whatever option is chosen that the library be constructed on schedule. Members of the public present at the March 15, 2023 meeting overwhelmingly supported a purchase of the property.

Staff discussed that a deed restriction could be placed on the parcel sold to the County, and that mutual agreements be made in the Operations IGA to ensure compatible uses of the property in the future should either party need to modify the use of the property. Likewise, the agreements could allow for construction to start on schedule and for the final completion of the agreements to follow. It is understood that as the final site plan and library plans are completed they are subject to review by the County Planning and Building Divisions. This process is a necessary component to the library construction process and the agreements will be flexible to allow for the necessary amount land required to mitigate impacts to both the library and community center. Based upon a recent survey the land value is approximately \$370,000 per acre. The library footprint is

roughly 0.34 of an acre. The minimum land value would be \$125,800 without accounting for any setback or additional exclusive use areas for the library. In response to a question from the Board, Gary Schmidt, NCPRD Administrator, noted that the funds previously approved by the Board of County Commissioners were adequate to fund the purchase of the land.

MATTER FOR CONSIDERATION:

1. Does the Board of County Commissioners approve a purchase of the land from NCPRD at the Concord property necessary to construct the new Oak Lodge Library and direct staff to prepare both the purchase and sale agreement and an IGA for the construction and operation of the library?

RECOMMENDATION:

1. Staff recommends that the Board of County Commissioners approve the matter previously approved by the NCPRD Board of Directors.



March 15, 2023

BCC Agenda Date/Item: _____

North Clackamas Parks and Recreation District Board of Directors

**Approval to Pursue Lease or Sale Option of Land for Oak Lodge Library
at Concord Community Center**

Previous Board Action/Review	12/7/2022 – Board of Directors meeting: Report on Land Lease agreement between NCPRD and the Library District at the Concord Site		
Performance Clackamas	Build public trust through good government		
Counsel Review	JM 3/8/2023	Procurement Review	No
Contact Person	Michael Bork	Contact Phone	971-610-1036

EXECUTIVE SUMMARY: The Concord Task Force – created by the Board – selected the Concord property for the new library. The library site on the property was initially part of the original master plan and was attached to the school. Based on financial concerns, the design was changed to a detached library on the same site. The library building is planned to be a single story of approximately 15,000 square feet. The NCPRD-owned Concord property was recently appraised. The land value is approximately \$370,000 per acre. The library footprint is roughly 0.34 of an acre. The minimum land value would be \$125,800 without accounting for any setback or additional exclusive use areas for the library.

The new Oak Lodge Library will be sited on the Concord School property, owned by NCPRD. The Board of County Commissioners has just recently voted to fund the balance of costs necessary to construct the library.

Respectfully submitted,

Michael Bork
NCPRD Director



Oak Lodge Library Disposition of Property

Issue

The new Oak Lodge Library will be sited on the Concord School property, owned by NCPRD. The Board of County Commissioners has just recently voted to fund the balance of costs necessary to construct the library. The issue for discussion is the best way to address ownership of the land needed for the library.

Background

The Concord Task Force – created by the Board – selected the Concord property for the new library. The library site on the property was initially part of the original master plan and was attached to the school. Based on financial concerns, the design was changed to a detached library on the same site. The library building is planned to be a single story of approximately 15,000 square feet. The NCPRD owned Concord property was recently appraised. The land value is approximately \$370,000 per acre. The library footprint is roughly .34 of an acre. The minimum land value would be \$125,800 without accounting for any setback or additional exclusive use areas for the library.

Options for Consideration (not in any order)

Ground Lease: NCPRD and the County could enter into a long term ground lease for the land necessary to construct the library.

The basic terms of such a lease must cover rent and the eventual disposition of the building. Should the lease include minimal rent payment to NCPRD, then this loss of use of the library parcel by NCPRD could be offset by an earlier transfer of ownership to NCPRD.

In any event, County ownership of the library building would need to be for a term of at least 25 years as required in the grant documents; however, a longer term of at least 50 years could be done depending upon an equitable balance between rent payments and the property value itself.

Any ground lease would be drafted to remain in effect in the event NCPRD were to become an independent parks and recreation district. Likewise, the agreement could be drafted to allow for a successor lessee to continue to operate the library during the term of the lease should a new city incorporate and desire to provide library services in the Oak Lodge Library Service Area. The agreement would place restrictions on the use of the library building so that the uses are compatible with the NCPRD uses on the property.



Land Acquisition: The County could purchase a portion of the property large enough to accommodate the library building.

Similar to a ground lease restrictions could be placed on the use of the property so that future uses of the library building do not conflict with NCPRD uses of the property. The uses on the property of a library, administrative offices, and community center are all regulated under the County ZDO. If the parcel were to go through a lot line adjustment process each lot will have set back requirements that may require more land for the library than necessary for operations. This larger land requirements of a purchase may impact other planned uses at the property by NCPRD. The cost for acquisition of the land was not included in estimates relied upon by the Board of County Commissioners when they voted to fund the balance of funds necessary to construct the library.

Advantages/Disadvantages

Both options have advantages and disadvantages as summarized below:

	Lease	Land Sale
Advantages	<p>A ground lease allows for the County and NCPRD to define the minimal amount of land necessary to construct and operate the library. This may be advantageous to allow for more uses on this parcel.</p> <p>In the near term a lease requires less cost and land to construct the Library.</p> <p>Library District Revenue for Oak Lodge may be used for lease payments.</p> <p>NCPRD retains ownership of the entire parcel providing potential benefits in the future.</p>	<p>Avoid a potential unplanned sale of the building should the ground lease be terminated.</p> <p>If the Concord property were partitioned and a parcel sold for the Library, it may cost more and take more time, but would allow each party more independence in their future needs for the property.</p>
Disadvantages	<p>A potential drawback to a ground lease is in the event NCPRD needs to sell the Concord property the library may lose the benefit of the shared spaces, or the lease could be terminated and NCPRD or the new owner would purchase the library building.</p> <p>The County library operations potentially has less flexibility with a lease.</p>	<p>The County has not budgeted to purchase a parcel for the Oak Lodge Library and this will impact the costs to construct the library. Library District funds cannot be used for the purchase.</p>

General

With either a lease or a land sale there are uncertainties about what will happen should NCPRD become independent, need to sell the property, or a new city incorporates. These situations as discussed above can be accommodated in any agreement to reach an equitable solution. With either option the value of the land used



should be accounted for to make NCPRD whole. In short, although we can balance the benefits and costs of either choice in the agreement, the differences between the choices require us to decide: Is it more important to have the library constructed as soon as possible at an attainable cost? Or, do the parties require long term independence to allow greater flexibility in the future?

Finally, both options will require a conditional use permit through our County Planning Department. The details of what may be required in this permit will vary depending upon the final design, size, location on the property, parking and other requirements and impacts associated with the library. In all scenarios the County would be responsible for all costs to construct and operate the library, and for shared uses of the NCPRD portions of the Concord property itself.

Feedback from Community

County staff convened a meeting of the Concord Task Force, NCPRD District Advisory Committee and Library Advisory Board. The purpose of the meeting was to seek stakeholder input.

Attendees

Members of Concord Advisory Task Force, Library Advisory Board and NCPRD District Advisory Committee

Grover Bornefeld	Deborah Bokowski	Nancy Eichsteadt
Anatta Blackmarr	Muciri Gatimu	Mark Elliot
Kim Parmon	Dominic Cortinas	Kristi Switzer
Gary Bokowski	Doug Jones	David Gilman
Ron Campbell		

County Representatives

Commissioner Paul Savas	Jessica Stead	Sarah Eckman
Mitzi Olson	Cindy Becker	Jeff Munns
Mike Bork	Jason Varga	Ellen Rogalin

General Comments from Committee Members

- Agreement that whatever is decided should not delay construction
- Make sure the amount of park land is not reduced
- Some prefer leasing; most appeared to support purchasing
- Two purchase options were discussed: traditional and condominium plat. Some preferred the condominium option because it only involves the land directly under the structure.
- Since NCPRD received the property at a reduced price, any sale should be at a reduced price.
- Whatever is worked out should be fair to both the County and NCPRD.
- Have language in either a lease or purchase agreement that addresses their respective concerns.
- By starting with a short-term lease while the County works out the process to purchase the property, the construction timeline could keep moving forward (County Counsel)