

**RESOLUTION NO. 1231**

**A RESOLUTION URGING THE DIVISION OF STATE LANDS TO SELL THE WILSONVILLE TRACT TO METRO FOR GREENSPACES AND REQUESTING THE TUALATIN VALLEY WATER DISTRICT TO WITHDRAW THEIR OFFER TO LEASE/PURCHASE A PORTION OF THE WILSONVILLE TRACT FOR THE PURPOSE OF SITING A WATER TREATMENT PLANT.**

WHEREAS, the City adopted as a Council goal to “acquire and/or protect the 250 acres known as the Wilsonville Tract”; and

WHEREAS, last May the City of Wilsonville (together with Metro) submitted a proposal to the Division of State Lands for Metro to purchase the property through the greenspaces bond measure in order to preserve it in perpetuity as open space; and

WHEREAS, the City/Metro offer is entirely in keeping with the management plan adopted by the State Land Board and further enhances the overall mission of DSL to protect wetlands; and

WHEREAS, DSL has failed to sufficiently explain why they are unwilling to negotiate with the City and Metro to purchase the entire parcel (save for the 20 acres reserved for a primary school for the West Linn-Wilsonville School District) except to say “*we remain convinced that all of the proposed uses - school, farm, water treatment plant, and open space can function compatibly on the property when properly planned and sited*”; and

WHEREAS, the city finds DSL’s position to be non-responsive to the overwhelming public testimony to the contrary that the water treatment plant is an inappropriate use and that this position is a great disservice to those citizens who have participated over the last three years in good faith in the public input process; and

WHEREAS, although Metro has re-confirmed its interest in purchasing the entire parcel, the City Council is concerned that it will fall to the bottom of Metro’s priority list because the property will be unattractive as a natural area if a 40-acre industrial use is located in the very heart of the property, dissected with road easements and truck traffic; and

WHEREAS, the City Council is further concerned that as others are willing to make commitments ahead of us for the limited bond measure funds, we will be at a disadvantage as protracted negotiations with DSL now continue into the eighth month; and

WHEREAS, the City Council is cognizant of the State Land Board’s fiduciary responsibility to obtain the best financial return on property sold or leased. The Council believes

that DSL has erroneously assumed that the Tualatin Valley Water District proposal is superior financially to the offer made by Metro and the City; and

WHEREAS, the City has reviewed the TVWD and the Wilsonville proposals and finds that the Wilsonville proposal offers greater likelihood of the best financial return for the Common School Fund based upon analysis of the likely outcomes (see "Attachment A"); and

WHEREAS, the City is fully supportive of the concepts and goals of a cooperative regional water strategy and looks forward to working in cooperation with cities and water districts in our area; and

WHEREAS, the City cannot cooperate nor will we agree to participate in a solution which involves the siting of a water treatment plant on the Wilsonville Tract; and

WHEREAS, the City is deeply appreciative of the leadership role which the Tualatin Valley Water District has assumed in looking ahead to the water needs of our sub-region; and

WHEREAS, the City Council pledges our willingness to work with TVWD in finding an appropriate site in the City or in supporting an alternative site in another local jurisdiction.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS AND THE CITY COUNCIL RESPECTFULLY REQUESTS THAT:

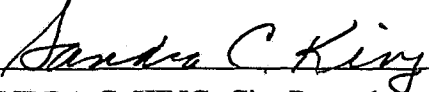
1. The Tualatin Valley Water District formally withdraw its offer to purchase and/or lease 40 acres of the Wilsonville Tract from the Division of State Lands.
2. The Division of State Lands, without further delay, agrees to lease the Wilsonville Tract to the City of Wilsonville with an option for Metro to purchase at the appraised value.
3. The Division of State Lands and the Tualatin Valley Water District join with the City of Wilsonville and Metro to work cooperatively so that the interests of the public can best be served.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 4th day of December, 1995, and filed with the Wilsonville City Recorder this date.



GERALD A. KRUMMEL, Mayor

ATTEST:

  
\_\_\_\_\_  
SANDRA C. KING, City Recorder

SUMMARY of Votes:

Mayor Krummel: Yes  
Councilor Lehan: Yes  
Councilor Hawkins: Yes  
Councilor Leahy: Yes  
Councilor Leo: Yes

## ATTACHMENT A

### Comparison of TVWD and Wilsonville Proposals Parcel D

#### Assumptions:

1. Parcel D is 40 acres.
2. **TVWD Lease:** TVWD would lease the land for 20 years at agricultural value (\$3,500 per acre) times the prime rate which is assumed at 8.75%.
3. **TVWD Purchase:** TVWD would have the option to purchase during the lease period for the appraised value at the time of purchase, appraisal to be based upon proposed use.
4. **Wilsonville Lease:** Wilsonville would lease the property for 10 years at \$3,200 per year guaranteed payment to DSL.
5. **Metro Purchase:** Metro would have the option to purchase property at \$3,500 per acre under the Wilsonville Lease.
6. **DSL Return:** DSL would receive 8.75% return on funds in the Common School Fund.

#### Potential Outcomes:

1. **TVWD:** The most likely outcome under the TVWD lease is that the water treatment facility is not developed in the next 20 years either because the site would not be approved, an alternative site is selected, or the treatment plant is not yet required. The estimated payments by TVWD would be \$245,000 for 20 years. If the option to purchase is exercised within the 20 years, the land is nearly assured to be zoned EFU whose value is estimated at \$3,5000 per acre resulting in a combined return to DSL of \$372,750 for 20 years.
2. **Wilsonville:** The most likely outcome under the Wilsonville lease is that Metro would exercise the purchase option by 1997 resulting in a return to DSL of \$363,730 for 20 years.

#### Analysis:

The TVWD lease provides ranges of income from \$245,000 to \$372,750 for 20 years while the Wilsonville lease provides a high likelihood of \$363,730 for 20 years. The Wilsonville proposal appears to be competitive with TVWD in light of the likelihood of the potential outcomes.

Prepared by: Shiels Oblatz Johnsen, November 30, 1995

Wilsonville Tract

ATTACHMENT A

Parcel D: Wilsonville Tract, Division of State Lands

**Assumptions:**

Parcel D: 40 acres  
 Ag Value: \$3,500 per acre  
 Prime: 8.75%

**Options:**

T-1: TVWD lease, no purchase.  
 T-2: TVWD lease & purchase.  
 W-1: Lease & Metro purchase.  
 W-2: Lease & no purchase.

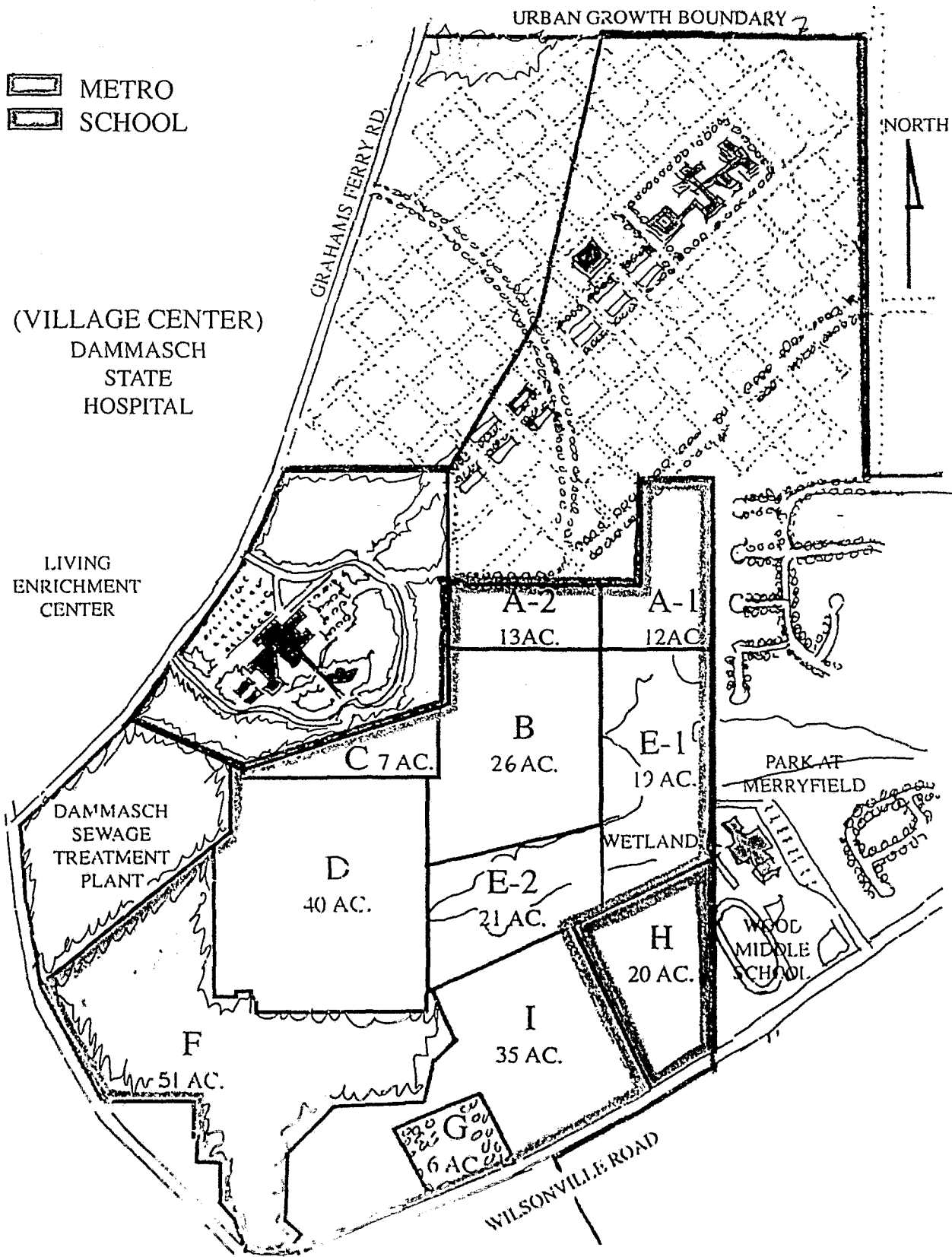
	TVWD		WILSONVILLE	
	T-1	T-2	W-1	W-2
1996	\$12,250	\$12,250	\$3,200	\$3,200
1997	\$12,250	\$12,250	\$140,000	\$3,200
1998	\$12,250	\$12,250	\$12,250	\$3,200
1999	\$12,250	\$12,250	\$12,250	\$3,200
2000	\$12,250	\$12,250	\$12,250	\$3,200
2001	\$12,250	\$12,250	\$12,250	\$3,200
2002	\$12,250	\$12,250	\$12,250	\$3,200
2003	\$12,250	\$12,250	\$12,250	\$3,200
2004	\$12,250	\$12,250	\$12,250	\$3,200
2005	\$12,250	\$12,250	\$12,250	\$3,200
2006	\$12,250	\$140,000	\$12,250	\$3,200
2007	\$12,250	\$12,250	\$12,250	\$3,200
2008	\$12,250	\$12,250	\$12,250	\$3,200
2009	\$12,250	\$12,250	\$12,250	\$3,200
2010	\$12,250	\$12,250	\$12,250	\$3,200
2011	\$12,250	\$12,250	\$12,250	\$3,200
2012	\$12,250	\$12,250	\$12,250	\$3,200
2013	\$12,250	\$12,250	\$12,250	\$3,200
2014	\$12,250	\$12,250	\$12,250	\$3,200
2015	\$12,250	\$12,250	\$12,250	\$3,200
<b>TOTAL</b>	\$245,000	\$372,750	\$363,700	\$64,000
Probability	85%	15%	95%	5%
<b>Weighted Average</b>		\$264,163	\$348,715	

-  METRO
-  SCHOOL

(VILLAGE CENTER)  
DAMMASCH  
STATE  
HOSPITAL

LIVING  
ENRICHMENT  
CENTER

DAMMASCH  
SEWAGE  
TREATMENT  
PLANT



**DAMMASCH HOSPITAL & DSL WILSONVILLE TRACT**