



CITY OF MILWAUKIE
"Dogwood City of the West"

Ordinance No. 2139

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON AMENDING MILWAUKIE MUNICIPAL CODE CHAPTER 3.15 RELATING TO TRANSFER OR SALE OF CITY-OWNED REAL PROPERTY AND AUTHORIZE TRANSFER OR SALE OF REAL PROPERTY TO THE MILWAUKIE REDEVELOPMENT COMMISSION OR TO ANOTHER ENTITY FOR REDEVELOPMENT.

WHEREAS, the City of Milwaukie has acquired a number of parcels of real property with the intention of utilizing the parcels to stimulate redevelopment in the downtown area; and

WHEREAS, Chapter 3.15 of the Milwaukie Municipal Code controls the classification and disposition of real property by the City; and

WHEREAS, the current provisions of Chapter 3.15 predate the adoption of an urban renewal plan and therefore do not authorize the transfer of city-owned real property to the Milwaukie Redevelopment Commission; and

WHEREAS, the Milwaukie City Council has authority to establish a process to transfer city-owned real property to the Milwaukie Redevelopment Commission; and

WHEREAS, the Milwaukie City Council also has authority to establish a Request for Qualifications (RFQ) and Request for Proposal (RFP) process to transfer city-owned real property to an entity pursuant to a development agreement.

Now, Therefore, the City of Milwaukie does ordain as follows:

Section 1. Chapter 3.15 of the Municipal Code of Milwaukie is amended to read as follows:

CHAPTER 3.15 REAL PROPERTY

3.15.001 PURPOSE AND APPLICATION

This chapter provides procedures and standards for the acquisition and transfer of real property by the City. This chapter applies to properties owned by the City and does not apply to rights-of-way and other property dedicated to the public.

3.15.005 QUALIFICATION—CLASSIFICATION

Real property owned by the City is classified as follows:

A. Substandard Undeveloped Property

Lots or parcels without structures which are not of minimum buildable size for the zone in which they are located.

B. Standard Undeveloped Property

Lots or parcels without structures which are of minimum or greater buildable size for the zone in which they are located.

C. Developed Property

Lots or parcels of any size with structures.

D. Special-case Property

Any real property that, notwithstanding subsections A, B, and C of this section, were acquired by the City subject to an agreement for the manner in which they would be disposed.

At the time of a proposed sale of real property by the City, the City Manager or designee shall determine the classification of the property.

3.15.010 SALE OF SUBSTANDARD UNDEVELOPED PROPERTY

A. Whenever real property is proposed for sale by the City or a purchase inquiry is made and the property is classified as substandard undeveloped property, the proposed sale shall be set on the regular Council agenda, but no public hearing is required. Notice shall be given of the agenda item no less than ten (10) days before the Council meeting to all property owners within three hundred (300) feet of the parcel and to any parties who have inquired about purchase with the City Manager's designee within one (1) year prior to the date of the Council meeting. After discussion of the agenda item, the Council shall decide whether it will offer the property for sale. The Council may direct the sale of the property only if it determines that the property is surplus to the City's needs.

B. If the Council decides to sell the property, it shall direct the City Manager or designee to proceed with the sale, publicize as deemed appropriate, determine the existence of interested prospective purchasers, and negotiate for the sale of the property.

C. After the details of the sale have been negotiated, the terms and negotiated agreement for the sale of the property shall be submitted to the Council for approval at a regularly scheduled Council meeting.

3.15.015 DISPOSAL OF STANDARD UNDEVELOPED PROPERTY AND DEVELOPED PROPERTY

- A. Whenever real property is proposed for sale by the City or a purchase inquiry is made and the property is classified as standard undeveloped property or developed property, the proposed sale shall be set for a hearing before the Council.
- B. Notice of the hearing shall be published once in a newspaper of general circulation in the City at least five (5) days prior to the hearing and shall describe the property proposed for sale. Notice shall also be given to property owners within three hundred (300) feet of the subject property.
- C. Public testimony shall be solicited at the hearing to determine if a sale of the property or any portion of it is in the public interest.
- D. After the hearing, the Council shall decide whether it will offer the property for sale and what the minimum acceptable terms shall be. The Council may decide to offer the property for sale only if it determines that the property is surplus to the City's needs.
- E. Prior to the sale of real property under this section, an appraisal of the property shall be conducted. The appraisal may be ordered prior to or after the hearing. The appraisal may be made available to the public at the hearing if it has been prepared by that time.
- F. If an offer to sell is authorized by the Council, a notice soliciting sealed bids shall be published at least once in a newspaper of general circulation in the City at least two (2) weeks prior to the bid deadline date. The notice shall describe the property to be sold, the minimum acceptable terms of sale, the person designated to receive bids, the last date bids will be received, and the date, time, and place that bids will be opened.
- G. If one (1) or more bids are received at or above the minimum acceptable terms, the highest bid shall be accepted and the City Manager or designee shall complete the sale.
- H. If no acceptable bids are received: (1) the Council may alter or keep the same minimum terms as established under subsection D of this section and direct staff to hold another sale, or (2) the Council may alter or keep the same minimum terms established under subsection D of this section and list the property for six (6) months with a local real estate broker on a multiple listing basis. Brokers shall be selected in accordance with the criteria found at Section 3.15.025 of this chapter. A listing may be renewed for an additional six (6)-month period.
- I. After expiration of the period set out in subsection H of this section, the property shall be removed from the market. Any decision to sell a piece of property once it has been removed from the market shall require that the entire procedure set forth in this chapter be repeated. The Council may, however, decide whether or not an additional appraisal is necessary.

3.15.025 BROKER SELECTION

The selection of a real estate broker shall be in accordance with the following procedures:

A. The City shall publish notice in a newspaper of general circulation in Milwaukie inviting proposals for the sale of the real property. The notice shall be published at least one (1) week prior to the date on which proposals are due.

B. The broker's proposal shall be in writing and it shall address the selection criteria set forth in subsection C of this section.

C. The City Manager or designee shall consider the following factors in the selection of a broker:

1. The broker's record in selling the type of real property being offered by the City for sale and the broker's familiarity with Milwaukie area market values;

2. The broker's proposed marketing plan and timelines: signs, advertising, direct mail, and/or other methods;

3. The amount of the broker's commission; and

4. Other factors which were stated in the notice of the invitation to submit a proposal.

3.15.030 ACQUISITION OF REAL PROPERTY

The City Manager may approve the acquisition by the City of an interest in real property if that interest is valued at less than twenty-five thousand dollars (\$25,000.00) or if the property is valued at more than twenty-five thousand dollars (\$25,000.00) but is donated to the City. All other acquisitions of an interest in real property shall be approved by the City Council. An appraisal shall be required for all property acquired by the City for more than twenty-five thousand dollars (\$25,000.00). Dedications of property for rights-of-way shall not be considered acquisitions of property by the City for purposes of this section.

3.15.040 TRANSFER OF AN INTEREST OTHER THAN FEE TITLE

The transfer of an interest in real property by the City is not a sale of surplus real property if the City retains title to the property. The City Manager may transfer an easement or other interest in real property less than fee title if the value of the interest transferred is less than twenty-five thousand dollars (\$25,000.00) and the City Manager determines that the transfer is not contrary to the public interest. The transfer of any other interest to real property with a value of twenty-five thousand dollars (\$25,000.00) or more shall follow the procedure for the sale of substandard undeveloped property as provided in Section 3.15.010.

3.15.050 TRANSFER OF PROPERTY TO URBAN RENEWAL AGENCY

A. The Council may authorize transfer of real property to an urban renewal agency established by the Council pursuant to ORS Chapter 457 on such terms and conditions as the Council deems appropriate provided that the Council finds that:

1. Transfer to the urban renewal agency for redevelopment or other purpose is consistent with, and will further the goals and objectives of, the adopted urban renewal plan for the agency;
 2. The property is not needed for public use by the City or the public interest would be furthered by such transfer; and
 3. Transfer of the property is otherwise permitted by law.
- B. Transfer may be with or without compensation unless the property was acquired with funds that legally must be reimbursed or as otherwise restricted by law.
- C. A proposed transfer under this section shall be placed on regular council agenda.
- D. The provisions of this Chapter 3.15 do not govern the disposition of real property by the City's urban renewal agency. Disposition of real property owned by the City's urban renewal agency shall be governed by any policies of the agency, ORS Chapter 457 or other applicable laws.

3.15.060 DISPOSAL OF REAL PROPERTY – ALTERNATIVE PROCESS FOR REDEVELOPMENT

- A. Whenever real property is proposed for redevelopment by the City Manager, the proposed sale or transfer pursuant to a development agreement shall be set for a hearing before the Council.
- B. Notice of the hearing shall be published once in a newspaper of general circulation in the City at least five (5) days prior to the hearing and shall describe the property proposed for sale. Notice shall also be given to property owners within three hundred (300) feet of the subject property.
- C. Public testimony shall be solicited at the hearing to determine if sale or transfer of the real property pursuant to a development agreement is in the public interest.
- D. After the hearing, the Council shall decide whether it will offer the property for sale or transfer through a development solicitation process (e.g., a Request for Qualifications (RFQ) and/or Request for Proposal (RFP)) to solicit interest from potential developers. The Council may direct the sale or transfer of the property for redevelopment only if it determines that the property is surplus to the City's needs.
- E. Prior to redevelopment of real property under this section, an appraisal of the property shall be conducted. The appraisal may be ordered prior to or after the hearing. The appraisal may be made available to the public at the hearing if it has been prepared by that time.
- F. If the Council decides to redevelop the property, it shall direct the City Manager or designee to proceed with the development solicitation, to publicize the RFQ and/or RFP as deemed appropriate, determine the existence of interested prospective developers, and negotiate for the sale or transfer and development of the property.

G. After the details of the development agreement have been negotiated, the terms and negotiated agreement for the sale or transfer of the property shall be submitted to the Council for approval at a regularly scheduled Council meeting.

Read the first time on 1/3/17, and moved to second reading by 5:0 vote of the City Council.

Read the second time and adopted by the City Council on 1/3/17.

Signed by the Mayor on 1/3/17.

Approved by the City Council this 3rd day of January, 2017.



Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC



Scott S. Stauffer, City Recorder



City Attorney

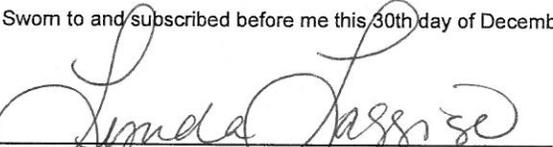
State of Oregon,) ss
County of Multnomah)

Sarah Cronin being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

The Oregonian 12/25/2016


Principal Clerk of the Publisher

Sworn to and subscribed before me this 30th day of December 2016


Notary Public



**CITY OF MILWAUKIE, OREGON
NOTICE OF PUBLIC HEARING ON
ALTERNATIVE PROCEDURE FOR
DISPOSITION OF CITY-OWNED
REAL PROPERTY**

The City Council of the City of Milwaukie will conduct a public hearing on January 3, 2017 to take testimony and consider adoption of amendments to Chapter 3.15 - Real Property, of the Milwaukie Municipal Code. The proposed ordinance would add alternative procedures for the disposition of city-owned real property for redevelopment. The public hearing will be held January 3, 2017, 6:00 p.m., City Hall Council Chambers 10722 SE Main Street, Milwaukie, OR 97222.

The meeting documents will be posted on the January 3rd meeting page:
www.milwaukieoregon.gov/meetings