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PORT OF SIUSLAW

Serving Western Lane County and The Central Oregon Coast

"Creating quality jobs and businesses through the development and application of Port facilities, resources and unique capabilities."

9 June 2008

Lane County Board of Commissioners
125 East 8th Ave
Eugene OR 97401

Gentlemen,

The Port of Siuslaw appreciates this opportunity to discuss the challenges surrounding the 40 acre parcel and the deed language with you. The Port seeks to resolve the issue(s) surrounding the property gifted to it by quitclaim deed and recorded on 11 September 1998. While we do believe that the Port has satisfied the terms of the deed, we wish to maintain a good working relationship with the County and to arrive at a mutually agreeable solution at the earliest possible time so both our governing bodies can move forward and get businesses established in an area of Lane County that is in great need of diversified development.

We submit, and believe that the County agrees, that the original agreement could be construed by some as vague and ambiguous and that there are alternatives to litigating on the deed, including:

1. Entering into a new agreement with clearer, more attainable deed restrictions;
2. Amending the original deed with more clearly defined language;
3. Extending the agreement an additional one to five years and include more clearly defined language.

The Current Deed Language

The Port understands that the County has a different interpretation of the deed restrictions than the Port. The Port agrees that the language could be clearer. Clearer language would allow the Port to develop the property for the good of our entire area.

It appears the County interprets the current restrictions to require actual placement of permanent infrastructure, such as roads or buildings, on the property. All interpretation issues aside, it's critical to the Port that the County understands that premature placement of roads or buildings on the property—without a buyer's input—would significantly hinder the Port's ability to sell the property. We cannot now know what types of roads will be needed and where. To prematurely construct roads or other infrastructure would be: unwise, limit developer uses, raise allegations of poor business judgment and be a potential waste of public funds.

From the Port's conversations with the real estate development community, we have learned it is a development "norm" to have utilities at the edge of an industrial property. That is, prematurely constructing roads and placing utilities can be detrimental and undermine potential uses of a site.

In one example, the Port of Cascade Locks put in infrastructure including roads and utilities and had the property sit undeveloped for a time. When the property was chosen by the developer, this infrastructure had to be dug up to suit the needs of the identified developer.

Port Improvement and Development Activities

To ensure that the County has a complete understanding of the Port's development activities on the property, below we provide you with highlights and a complete list of the improvements and development activity on the property. We are also providing you with a list of the future planned improvements and development activities.

Accomplished Improvements and Development Activities

1. On 26 October 2007, the Port secured "shovel ready" status from the State of Oregon. Certification was achieved in coordination with LCOG with a Port outlay of \$5,000 to complete this process. This property is now on the Oregon Prospector web site. The entire property can now be served with whatever power, water and telecommunication needs that are required.
2. By June 2006, improvements of over \$496,000 have been made to the site encompassing 12.6 of the 40 acres. A portion of the work done to the site was in exchange for the Port allowing the property to be used as a fill site for the Florence Airport project. A detailed list is attached.
3. Native American archeologists certified this site and this work cost \$4,096.
4. Port personnel have planted vegetation on the property over the years in order to stabilize the area. This includes hundreds of trees worth over \$6,000.
5. The Port of Siuslaw in FY08 had allocated \$20,000 for Rhododendron Drive interchange improvements that include utility hook ups.
6. Access to the lower part of the property and the provision for a future road has been planned for and funds have been allocated to achieve that goal in the amount of \$8,000.
7. Power, water, sewer and storm water are available at the edge of the property.
8. Secured Siuslaw River frontage for a western property line along Rhododendron Drive thereby ensuring better access for vehicles, utilities or other uses.
9. Storm water service already exists through 1,000 feet of the site. This includes 12 inch storm drains, manholes, pollution control manhole and a storm drain outfall.

10. The property has been further graded and compacted. This includes April 2008 grading and compaction work near the Pacific View Drive cul de sac, valued at \$48,000.
11. Effected a re-zoning of the property from Marine Industrial to Industrial, which allows a greater range of allowable uses.
12. A preliminary site plan was completed in 2005 for streets, building sites and utilities.

In summary, the Port has had over \$587,000 (detailed in items 1-10 above) worth of work done or allocated to this site to prepare this parcel for development. It is now capable of supporting development. It is a "clean slate" for the tenant or developer to accomplish almost anything.

Planned Port Improvements and Development Activities

1. The Port will secure a professional survey of the land in order to best gauge the placement of utilities and future road(s) as interest develops.
2. The Port will secure estimates and timelines from contractors and the City of Florence to understand just how long it would take to install infrastructure to serve a customer(s).
3. The Port will assemble a marketing plan and task the Port Manager with efforts to attract business customers to the property.

The Port Requests Continued Formal Discussions with the Commission

The Port understands that members of the Commission view our development actions regarding the property as insufficient. Some members of the Commission have clearly communicated their desire to have more done on the property.

To that end, the Port would welcome the opportunity to sit down with your staff and policymakers to further discuss how our two governments can come to an agreement regarding the deed requirements. Specifically, what further development actions would the Commission require from the Port? Commission staff and policymaker guidance regarding this issue would be highly valued.

Sincerely,



Mark Freeman
Port Manager

cc: Mr. Jeff Turk
Port of Siuslaw Commissioners
Ms. Christy Monson, Speer Hoyt PC

PACIFIC VIEW INDUSTRIAL PARK
40 ACRE PARCEL
INVESTMENTS

DATE	CHK#	TO	FOR	AMOUNT
04/08/98	10955	Wobbe & Associates, Inc.	Minor partition-40 acres from 120 parcel	475.00
09/08/98	11296	Wobbe & Associates, Inc.	Minor partition-40 acres from 120 parcel	3,277.50
02/18/04	1948	Wobbe & Associates, Inc.	Surveying-Property Line Adjustment for property trade	2,035.75
04/21/04	2037	Speer, Hoyt, Jones, Feinman, Poppe, Wolf & Griffith	Property Line Adjustment & Property Trade Agreement	222.50
05/19/04	2096	Speer, Hoyt, Jones, Feinman, Poppe, Wolf & Griffith	Bargain and Sale Deeds for property trade	145.91
08/18/04	2334	Wobbe & Associates, Inc.	Property Line Adjustment & recording fees	814.00
09/15/04	2362	Speer, Hoyt, Jones, Feinman, Poppe, Wolf & Griffith	Bargain and Sale Deeds for property trade	148.04
09/27/06	3840	Peachtree Business Products, Inc.	Signs-No trespassing/dumping	487.00
Sub-total				7,605.70
Site Infrastructure Work				488,588.48
Total Investment To-date				496,194.18

06/12/06 Pd by COF

CENTURY WEST ENGINEERING
CONSTRUCTION COST ESTIMATE

CITY OF FLORENCE

**FLORENCE MUNICIPAL AIRPORT
OBSTRUCTION REMOVAL
VALUE OF WORK CONSTRUCTED ON PORT PROPERTY**

June, 2006

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$32,430.00	\$32,430.00
2	Temporary Flagging Marking and Signing	LS	0	\$0.00	\$0.00
3	Construction Staking	LS	0	\$0.00	\$0.00
4	Clearing and Grubbing	ACRE	12.66	\$900.00	\$11,394.00
5	Clearing	ACRE	0.0	\$0.00	\$0.00
6	Unclassified Excavation and Embankment	CY	117,284	\$3.22	\$377,854.48
7	Mulching-Onsite Material	ACRE	0.0	\$0.00	\$0.00
8	Mulching-Imported Straw	ACRE	12.66	\$1,050.00	\$13,293.00
9	Seeding-Dry Application	ACRE	12.66	\$200.00	\$2,532.00
10	Seeding-Hydroseeding	ACRE	0.0	\$0.00	\$0.00
11	Sprigging	ACRE	0.0	\$0.00	\$0.00
12	Jute Netting	SY	0	\$0.00	\$0.00
13	Pavement Marking Removal	SF	0	\$0.00	\$0.00
14	Pavement Marking	SF	0	\$0.00	\$0.00
15	Storm Drain Manhole	EA	3	\$2,300.00	\$6,900.00
16	Pollution Control MH	EA	1	\$4,100.00	\$4,100.00
17	12-inch Storm Drain (AWWA C 900, PVC)	LF	1,015	\$39.00	\$39,585.00
18	Storm Drain Outfall	EA	1	\$700.00	\$700.00
19	Remove Existing Runway Light Fixture	EA	0	\$0.00	\$0.00
20	Replace Lens in Existing Light Fixture	EA	0	\$0.00	\$0.00
TOTAL					<u>\$488,588.48</u>