RESOLUTION NO. 2020-02

A RESOLUTION OF THE CITY OF LINCOLN CITY AUTHORIZING AND DIRECTING DISPOSITION OF CITY REAL PROPERTY TO HELPING HANDS RE-ENTRY OUTREACH CENTERS FOR THE USE AS DESCRIBED AND APPROVED IN CUP 2019-04

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A. The City is under contract to purchase a real property with improvements located at 3454 NE Hwy 101, Lincoln City, Oregon and 2201 NE 34th Street, Lincoln City, Oregon said property being identified as 07-11-02CC Tax Lots 300 and 500 (hereinafter subject property) being more particularly described and shown in

RECITALS

 B. On December 9, 2019, the Lincoln City City Council, at the Council Chambers at 801 SW Highway 101, Lincoln City, Oregon conducted an advertised public hearing on the proposed sale / conveyance of the subject property, pursuant to ORS 221.725, ORS 271.310 and ORS 271.330.

Exhibit A attached hereto and made a part hereof by this reference.

C. The advertised purpose of the conveyance / sale, and the reason the City Council finds it necessary or convenient to sell the property, to the domestic non-profit organization "Helping Hands Re-Entry Outreach Centers" is the City Council's desire to provide the use as proposed by Helping Hands in CUP 2019-04 to the City of Lincoln City's homeless population.

D. The nature of the sale / conveyance was advertised as a conveyance to a domestic non-profit corporation of a \$400,000 City-acquired property with a deed restriction (fee simple determinable) that the property must be used for the "transitional housing" facility use as proposed by Helping Hands in CUP 2019-04 to benefit the City's homeless population, – and if not, the property automatically reverts to the City. As additional security, the City may [as an additional option] retain a note, guaranty and trust deed for the purchase price of \$400,000 and require an annual payment of +/- \$13,333.33 per year which payment shall be waived annually if the non-profit entity operates the facility approved in CUP 2019-04 on the subject property meeting certain minimum thresholds as described in the note and the operator is not delinquent in any City economic development or Urban Renewal rehabilitation loan payments. The option above is in addition to any security

required for economic development or rehabilitation loans. A standard real estate purchase and sale agreement may also be required.

E. The December 9, 2019 City Council Public Hearing and Resolution staff reports are incorporated herein by this reference. It is understood and agreed that the use approved in CUP 2019-04 is the use described in the application and approved by the Planning Commission and despite the "label" or unfortunate "branding" of the use as "Transitional Housing;" the use is not "Transitional Housing" as described in ORS 446.265. All evidence of market value (in addition to the purchase price paid by the City) was fully disclosed and entered into the record at the public hearing on December 9, 2019.

F. Pursuant to ORS 221.725, any resident of the City was provided with an opportunity to present oral or written testimony on the subject of the sale to the City Council at the public hearing.

 G. After hearing the staff report and public input, Council closed the hearing and record and continued deliberations of the proposed Resolution to January 13, 2020. The primary reason for the continuation was to facilitate final resolution of the pending land use application [CUP 2019-04] before the Planning Commission. No appeal of the Planning Commission decision was filed.

H. On January 13, 2020, after due deliberation, Council made the findings of fact set forth herein and directed the sale / conveyance of the real property with the conditions identified in the staff report and this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINCOLN CITY, AS FOLLOWS:

SECTION 1. RECITALS. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. FINDINGS.

The Council finds and determines that the relevant statutory criteria for disposition of City real property are found in or referenced in ORS Chapter 271 (specifically ORS 271.310 and ORS 271.330) as well as ORS 221.725.

1 ORS 271.310. Transfer or lease of real property owned or controlled by political subdivision; Procedure in case of qualified title. 2 3 4 (1) Except as provided in subsection (2) of this section, whenever any political subdivision possesses or controls real property not needed for 5 public use, or whenever the public interest may be furthered, a political 6 7 subdivision may sell, exchange, convey or lease for any period not 8 exceeding 99 years all or any part of their interest in the property to a 9 governmental body or private individual or corporation. The consideration for the transfer or lease may be cash or real property, or 10 both. 11 12 *** 13 14 15 (4) Unless the governing body of a political subdivision determines under subsection (1) of this section that the public interest may be furthered, 16 real property needed for public use by any political subdivision owning or 17 controlling the property shall not be sold, exchanged, leased or conveyed 18 19 under the authority of ORS 271.300 to 271.360, except that it may be exchanged for property which is of equal or superior useful value for 20 public use. Any such property not immediately needed for public use may 21 22 be leased if, in the discretion of the governing body having control of the 23 property, it will not be needed for public use within the period of the lease. 24 25 26 271.330 Relinquishing title of property not needed for public use. 27 * * * 28 29 30 (2)(a) Any political subdivision is granted express power to relinquish the title to any of the political subdivision's property to a qualifying nonprofit 31 corporation or a municipal corporation for the purpose of providing any of the 32 following: 33 34 (A) Low income housing; (B) Social services; or 35 (C) Child care services. 36 (b) As used in this subsection: 37 38 (A) "Qualifying nonprofit corporation" means a corporation that is a public

benefit corporation as defined in ORS 65.001 (35) and that has obtained a

ruling from the federal Internal Revenue Service providing that the corporation

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 is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

(B) "Social services" and "child care services" include but are not limited to education, training, counseling, health and mental health services and the provision of facilities and administrative services to support social services and child care services.

221.725 Sale of city real property; publication of notice; public hearing.

- (1) Except as provided in ORS 221.727, when a city council considers it necessary or convenient to sell real property or any interest therein, the city council shall publish a notice of the proposed sale in a newspaper of general circulation in the city, and shall hold a public hearing concerning the sale prior to the sale.
- (2) The notice required by subsection (1) of this section shall be published at least once during the week prior to the public hearing required under this section. The notice shall state the time and place of the public hearing, a description of the property or interest to be sold, the proposed uses for the property and the reasons why the city council considers it necessary or convenient to sell the property. Proof of publication of the notice may be made as provided by ORS 193.070.
- (3) Not earlier than five days after publication of the notice, the public hearing concerning the sale shall be held at the time and place stated in the notice. Nothing in this section prevents a city council from holding the hearing at any regular or special meeting of the city council as part of its regular agenda.
- (4) The nature of the proposed sale and the general terms thereof, including an appraisal or other evidence of the market value of the property, shall be fully disclosed by the city council at the public hearing. Any resident of the city shall be given an opportunity to present written or oral testimony at the hearing.
- (5) As used in this section and ORS 221.727, "sale" includes a lease-option agreement under which the lessee has the right to buy the leased real property in accordance with the terms specified in the agreement.

The Council finds that it has received all information necessary to make a decision based on the Staff Report, public hearing testimony and the exhibits and evidence received. The Staff Report and the findings therein are specifically incorporated herein by this reference.

The Council finds and determines that this proposal to sell / convey the subject property to "Helping Hands Re-Entry Outreach Centers," a "Qualifying non-profit corporation" meets all applicable statutory minimum criteria for eligibility to sell real property, as more fully set forth herein. Further the City Council finds and determines that the proposed disposition of real property is deemed "necessary or convenient" to the City, and "furthers the public interest" as the sale will further the City Council's desire to provide the services described in approved CUP 2019-04 to the City of Lincoln City's homeless population. The Council further finds and determines that the property identified herein is not necessary for City use. The findings herein are supported by competent substantial evidence in the whole record, incorporated herein by this reference.

SECTION 3. ORDER. Based on the above Findings set forth or incorporated herein and based upon the evidence in the whole record, the City Council hereby approves and directs the sale / conveyance of the subject property to Helping Hands Re-Entry Outreach Centers, subject to all identified conditions, included or referenced (e.g. Staff Report conditions) herein. The real property sale / conveyance is delegated to the City Manager and City Attorney who are authorized to execute such purchase and sale agreements, contracts, security instruments (trust deed, guaranty and note), deeds and other documents necessary to complete the sale / conveyance. The City Attorney must approve all documents as to form. The Manager is expressly delegated the authority to sign documents for the City. The Manager and Attorney are authorized to expend funds necessary to effectuate the sale/conveyance, including but not limited to purchase of real estate and title company services and products. When not specifically allocated to a party, closing costs are split between the parties. Closing shall occur within 60 days or this authorization of this Resolution shall be null and void. The sale/conveyance is subject to final land use approval, including all appeals. The real property sale is, as is, and subject to all encumbrances of record.

SECTION 4. EFFECTIVE DATE. This resolution is effective as of the date of its adoption and signature by the Mayor.

PASSED AND ADOPTED by the City Council of the City of Lincoln City this 13th day of January, 2020.

DICK ANDERSON, MAYOR

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2 ATTEST:
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6 CATHY STEERE, CITY RECORDER
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EXHIBIT A R247720 & R252290 and 7-11-02CC Tax Lots 300 and 500 PARCEL 1: 3454 NE Hwy 101, Lincoln City, OR 97367 PARCEL 2: 2201 NE 34th Street, Lincoln City, OR 97367 PARCEL I: That part of Section 2, Township 7 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon, described as follows: Beginning at a point on the North line of Government Lot 25 that is North 89° 39' East 450.19 feet from the Northwest corner of said Lot 25, said point being the Northeast corner of the premises conveyed by Woodrow C. Sax, et ux, to John R. Fuller and Anna L. Fuller, husband and wife, by deed recorded April 15, 1940 in Book 84, page 76, Deed Records for Lincoln County; thence South 0° 07' West 131 feet to the North line of N.E. 34th (formerly known as Lohkamp Lane); thence North 89° 39' East along the North line of said N.E. 34th Street 159 feet; thence North 0° 07' East 130.75 feet to the North line of said Government Lot 25; thence South 89° 39' 159 feet along the North line of said lot to the point of beginning. PARCEL II: A tract of land situated in Government Lot 25 in Section 2, Township 7 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon, described as follows: Beginning at the Northwest corner of said Government Lot 25; thence East along the North line of said lot to the Easterly line of the Oregon Coast Highway, said point being the Northwest corner of the John R. Fuller tract described in deed recorded April 15, 1940 in Book 84, page 76, Deed Records; thence East along the North line said Fuller tract 130 feet; thence South along the East line of said Fuller tract 50 feet to the Southeast corner thereof and the true point of beginning of the premises herein described; thence South 80 feet; thence West, parallel with the North line of said Government Lot 25 to the Easterly line of the aforementioned highway; thence

Northwesterly along the Easterly line of said highway to the Southwest corner of aforementioned Fuller tract;

thence East along the South line of said Fuller tract to the true point of beginning.

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