



AGENDA ITEM SUMMARY

BACKGROUND

The John Day Watershed District Office is located in Pendleton, Oregon, in Umatilla County and provides office, shop, and storage space for staff and programs operating within the John Day, Umatilla, and Walla Walla watersheds as well as the mid-Columbia Basin. The existing office is an early-1900's house that was converted to office space. The office is located on a narrow strip of land between a railroad track and mobile home park. The office experiences frequent flooding and vandalism, is aging, and no longer meets the needs and priorities for programs and staff. For these reasons, ODFW began conducting searches of available properties for sale in the greater Pendleton area in early 2022, with the goal to find and purchase either existing office space/property that would meet the current and future needs of programs and staff, or to find bare buildable land where a new office could be designed and constructed.

Searches of available property quickly revealed that existing office space to meet the agency's needs was unlikely and focus shifted to buildable land or land where existing structures could be renovated. After several rounds of searches conducted utilizing a local brokerage firm, ODFW and their broker located bare property for sale that was comprised of three connecting tax lots totaling 9.25 acres in South Pendleton, hereby referred to as the "Southgate" property. The Southgate property was in an ideal location adjacent to Highway 395, exceeded minimum space needs, and was within ODFW's price range (attachment 2).

After further evaluation ODFW decided to pursue purchase of the property, and on April 21, 2022

provided a written offer with contingencies to purchase the Southgate property. After rounds of negotiations and counteroffers, the seller accepted ODFW's offer to purchase the property for \$550,000, with contingencies, on April 26, 2022. The seller and ODFW entered into an Oregon Department of Justice (DOJ) approved Purchase and Sale Agreement (attachment 3) on June 7, 2022, which stipulated specific conditions of the purchase as well as required contingencies.

Contingencies for the purchase include site inspection, appraisal meeting or exceeding the purchase price of \$550,000, obtaining all necessary State of Oregon approvals to acquire property, completion and review of an environmental site assessment (ESA), and title review. As of August 16, 2022 the only remaining contingencies to be completed are acceptance of the appraisal (due September 1) and approval by the Oregon Fish and Wildlife Commission (Commission). ODFW has completed due diligence on all other items, including review of the ESA, Title Report, and Inspection, which were evaluated and showed no issues or concerns associated with the property.

Pending acceptance of the appraisal report, and the approval of the Commission, the property acquisition is set to close on September 30, 2022. The purchase would be made using bond funding appropriated by the Oregon Legislature. If the purchase of the property

is approved, ODFW will begin phase 2 of the project which will include the design and construction of the new watershed office.

Future steps would include selling the existing office and property. Proceeds from the sale would be used to fund other capital improvement projects in East Region.

PUBLIC INVOLVEMENT

As required by Oregon Revised Statute (ORS) 270.120, all acquisition of land by state agencies shall be reviewed by the Public Lands Advisory Committee (PLAC). PLAC is comprised of members of the public and elected officials and their role is to advise the purchasing agency and the Department of Administrative Services (DAS) on the acquisition of property. ODFW staff presented at the July 28, 2022 PLAC meeting, which is open to the public, and received approval for the acquisition of the property, contingent on the appraisal value meeting or exceeding the purchase price.

Though no direct public outreach was conducted as a part of this process, ODFW staff have coordinated directly with Umatilla County and City of Pendleton officials throughout this effort.

ISSUE

Purchase the Southgate property (9.25 acres) in Pendleton, to replace the John Day Watershed District Office.

ANALYSIS

ODFW seeks approval from the Commission for the purchase of the Southgate property located in Pendleton, Oregon. Per Oregon Revised Statute (ORS) 496.146 (7) the Commission may acquire real property for wildlife management and wildlife-oriented recreation purchases.

Purchasing the Southgate property will serve many needs and provide several benefits, including:

- Providing updated and adequate workspace for staff (upon construction of the new office), which the current office no longer provides.
- Growth potential and opportunities for future partnership.
- Visibility and convenience since the Southgate property is located adjacent to Highway 395, visible from the highway, and easily accessible which will help with customer service.
- Fiscal accountability given that the acquisition price is well under market value and coupled with the eventual sale of the existing John Day Watershed District Office site, the purchase of the property and construction of the new office will be completed in a fiscally advantageous manner.

OPTIONS

1. Approve acquisition of the 9.25 acre “Southgate” property in Pendleton.
2. Do not approve the property acquisition and direct staff to withdraw from the Purchase and Sales Agreement.

STAFF RECOMMENDATION

1. Approve the property acquisition.

DRAFT MOTION

I move to approve the acquisition of the Southgate property in Pendleton and direct staff to proceed to closing pending acceptance of the appraisal report and upon completion of all processes required under Oregon law for land acquisition.

EFFECTIVE DATE: Immediately