



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 10/2/14
Agenda Item #: R.3
Est. Start Time: 9:35 am
Date Submitted: 9/22/14

Agenda Title: **Resolution Approving a Declaration of Surplus Property and Conveyance of Residential Dwelling in Manzanita, OR to Spindrift Cottage, Inc.**

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: October 2, 2014 **Time Needed:** 15 minutes

Department: Library **Division:** Administration

Contact(s): Vailey Oehlke, Library Director

Phone: 503-988-6047 **Ext.** 86047 **I/O Address:** 317/ADM/DIROF

Presenter Name(s) & Title(s): Henry Alaman, Interim Director – FPM; Ken Elliott, Assistant County Attorney; Ann Knutson – Hillsdale Library; President of Spindrift Cottage, Inc.; Dean P. Gisvold – Attorney for Spindrift Cottage, Inc.

General Information

1. What action are you requesting from the Board?

This resolution is for four related and dependent actions by the Board. The first is to declare Spindrift Cottage, 37465 Beulah Reed Rd., Manzanita, OR, a County-owned building (#697) (the “Beach Cottage”), which is restricted to use as a rest house for library staff, to be surplus property. The second action is to approve transfer of ownership of the Beach Cottage to Spindrift Cottage, Inc., an Oregon non-profit corporation formed to lease, manage and maintain the Beach Cottage. The third action is to authorize the Chair to execute the Termination of Lease and Bargain & Sale Deed, and the fourth is to direct County staff to take necessary steps to terminate the Lease and record the Deed.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

For several decades prior to 1990, the Directors of the Library Association of Portland (DLAP) owned and operated Spindrift Cottage, 37465 Beulah Reed Rd., Manzanita, Tillamook County, OR (the Beach Cottage), which had been donated to DLAP by a retired librarian on the condition that it be used only as a rest house for library staff.

By a Library Transfer Agreement dated July 1, 1990, the Directors of the Library Association of Portland (DLAP) transferred all of its interest in owned and leased branch libraries, library and art collections, and associated personal property to Multnomah County. The Beach Cottage was included among the real properties transferred to the County.

Spindrift Cottage, Inc., an Oregon non-profit corporation (Spindrift), was formed by volunteer library employees to manage, operate, maintain, pay utilities and taxes, insure and repair, as necessary, the Beach Cottage.

The County, as Lessor, and Spindrift, as Lessee, entered into a Lease Agreement, dated as of July 1, 1990 (the Lease), by which the County leased the Beach Cottage (County Building #697) to Spindrift, for a term of 50 years at a rental of \$1.00 per year, conditioned on Spindrift's payment of all utilities, maintenance, taxes, and operation of the Beach Cottage as a rest house for library staff, consistent with the original donor's intent.

The use restriction, which is incorporated by reference in the Bargain & Sale Deed, states that, if the Beach Cottage ever ceases to be used as a rest house for library staff, the Owner must convey title to the Oregon Community Foundation, to be added to the Library Endowment Fund. It is in the best interests of the County to transfer the Beach Cottage to Spindrift, the long-term Lessee and non-profit operator of the Beach Cottage, on the terms and conditions set forth in the attached Termination of Lease and Bargain & Sale Deed.

3. Explain the fiscal impact (current year and ongoing).

This resolution and execution of the Termination of Lease and Bargain & Sale Deed will have no material fiscal impact in the current or future years, because the County has earned only \$1 in annual rent and has paid no costs associated with the Beach Cottage, except for an annual fire & casualty insurance premium of about \$230. County will pay, out of the Library operating budget, a one-time premium for a standard owner's title insurance policy issued to Spindrift, based on the Tillamook County Assessor's valuation of the property.

4. Explain any legal and/or policy issues involved.

By Resolution 04-185 the Board adopted a policy for declaring real property owned by the County as surplus ("Surplus Property Process"). The Surplus Property Process allows the Board to exempt a property from the Surplus Property Process when it is in the best interest of the County to do so.

The Director of Facilities and Property Management Division ("Director") has determined that the Beach Cottage is not required for County use. The County has no practical, efficient, or appropriate use for the Beach Cottage, and will have no use for the Beach Cottage in the foreseeable future. As such, the Director has recommended that the Beach Cottage be declared surplus. In considering the best interest of the County and Spindrift's current operation of the Beach Cottage as Lessee, the Director has further recommended that the Board exempt the Beach Cottage from the Surplus Property Process.

5. Explain any citizen and/or other government participation that has or will take place.

The County Library staff has met regularly with Library community stakeholders, including the Library Foundation, Friends of the Library and the Library District Community Committee to discuss transfer of the Beach Cottage. All stakeholders support the County's transfer of the Beach Cottage and concur that Spindrift has operated and will continue to operate the Beach Cottage in compliance with the original donor's intent.

Required Signature

Elected
Official or /s/ Vailey Oehlke, Library Director **Date:** 09/18/2014

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.