



# Oregon

Kate Brown, Governor

## Department of Transportation

Technical Leadership Center

Right of Way Section – MS 2

4040 Fairview Industrial Dr SE

Salem, OR 97302-1142

Phone: (503) 986-3600

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[www.oregon.gov/odot/hwy/row](http://www.oregon.gov/odot/hwy/row)

To: Darrin Brightman  
Property Transactions Coordinator  
DAS Facilities Division

July 7th, 2022

From: Steve Eck  
Senior Property Agent

Subject: PLAC Review Packet  
ODOT File: PM209A-026  
3<sup>rd</sup> Street / Bend

ODOT owns property which abuts The Dalles-California Highway (US 97) to the West and the US Highway 97 (Business) to the East. ODOT District and Region personnel have reviewed this property and have declared that the 1.71 acre (+/-) parcel is currently excess to ODOT's needs but will require this property at a future time for an interchange project. The City of Bend has a temporary need for this property and has agreed to purchase it with a reversionary interest clause in favor of ODOT. The property is located in Deschutes County, County Tax Assessors Map 18 12 17, tax lot 1600, and is further noted in the attached maps and documents.

The following 'Reversionary Interest Clause' was developed specific to this transaction with the intention of being placed in the sales agreement and conveyance deed:

*The property hereby conveyed is subject to a future highway interchange transportation project. Upon request by Grantor, Grantee shall surrender title to property and full fee title ownership shall revert back to Grantor in a like condition without garbage or permanent improvements. In the event that the property is not needed by Grantor and Grantee wishes to remove the Right of Reversion, then the current value of the Right of Reversion for the property shall be determined by a fair market value appraisal. Grantee shall pay the difference between the original purchase price and the value determination to remove the Right of Reversion. Grantor will accept like value in cash, or an exchange of property, or other in-kind value as negotiated between Grantor and Grantee as payment to remove the Grantor's Right of Reversion from the property.*

The property was appraised on May 3, 2022 with the above mentioned clause noted as an extraordinary assumption. The resulting fair market value was estimated to be \$45,000. ODOT Appraisal Review recommended the fair market value of \$45,000 on May 23, 2022 (see attached Appraisal Review).

ODOT Region 4 Manager Gary Farnsworth has been in discussions with Chris Solsby, Real Estate Director, City of Bend for several months. On June 30<sup>th</sup> 2022, Chris indicated tentative agreement to both the price of the sales transaction and the reversionary interest clause – subject to the next City of Bend Council meeting on July 20<sup>th</sup>, 2022.

With the approval of the PLAC review, ODOT will move forward with the necessary documentation to complete the transaction as described above.

If you require additional information, please do not hesitate to ask and I will provide that for you.  
Thank you.

# REQUEST FOR SALE OF EXCESS PROPERTY

Gary Farnsworth  
Region 4 Project Delivery Building  
63055 N Highway 97, Bldg M  
Bend, Oregon 97703-5765


PM FILE:	PM209A-026
ACQ FILES:	7528-041
SECTION:	The Dalles - California Highway
HIGHWAY:	The Dalles - California Highway & US97 Business
COUNTY:	Deschutes
MAP NO(s):	11B-S-29
MILEPOINT:	-
EA:	

THE PROPERTY SHOWN ON THE ATTACHED "INPUT REQUEST FOR SALE OF EXCESS PROPERTY" IS:

☒ APPROVED FOR DISPOSAL WITH THE FOLLOWING RESTRICTIONS:

The intention is to sell the property to the City with Reversionary language to ODOT for the  
future interchange project.

☐ NOT APPROVED FOR DISPOSAL FOR THE FOLLOWING REASONS:

  
Gary FARNSWORTH (Mar 15, 2022 15:41 PDT)  
Gary Farnsworth  
REGION MANAGER

03/15/2022  
DATE

NOTE: PLEASE RETURN COMPLETED FORM AND ALL ATTACHMENTS TO RIGHT OF WAY, PROPERTY  
MANAGEMENT HEADQUARTERS: Technical Leadership Center, 4040 Fairview Industrial Drive SE, MS #2, Salem,  
Oregon 97302-1142

**To Be Sold**

A parcel of land lying in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 17, Township 18 South, Range 12 East, W.M., Deschutes County, Oregon and being that property designated as Parcel 3 and described in that Warranty Deed to the State of Oregon, by and through its Department of Transportation recorded October 30, 2013 as Instrument No. 2013-045137 Deschutes County Records.

This parcel of land contains 74,488 square feet (1.71 ac.) more or less.

SEC. 17, T. 18 S., R. 12 E., W.M.

**TO BE SOLD  
MARCH, 2022  
FILE 7528-041  
PARCEL 3  
DEED 2013-045137**

**FILE 7528-041A**  
1.71 ac. ±  
74,488 ft² ±

Les Schwab Profit  
Sharing Retirement Trust  
298-37, 1979

PacifiCorp  
Easement

S 2°49'43" W

425

16° 47' 25" W

195+18

35'

195

041

042

DEED 2013-002911

DEED 2013-002911

3.914 ft±

45'

45'

0

100

**ACTIVE DRAWING**  
*THIS DRAWING SHOWS THE PROPOSED  
R/W TO BE SOLD. NOT TO BE  
INCLUDED WITH THE DEED*  
**SUBJECT TO CHANGE**

*THIS DRAWING SHOWS THE PROPOSED  
R/W TO BE SOLD. NOT TO BE  
INCLUDED WITH THE DEED*

SUBJECT TO CHANGE

SECTION	<i>US 97/MURPHY ROAD: BROOKSWOOD-PARRELL (BEND)</i>	
HIGHWAY	<i>THE DALLES-CALIFORNIA</i>	
COUNTY	<i>DESCHUTES</i>	
PURPOSE	<i>SURPLUS SALE</i>	

SCALE	1" = 50'
DATE	MARCH, 2022
FILE	7528041A

SEE DRAWING 11B-5-29



***RIGHT OF WAY  
ENGINEERING  
SKETCH MAP***



SEC. 17, T. 18 S., R. 12 E., W.M.

TO BE SOLD  
MARCH, 2022  
FILE 7528-041  
PARCEL 3  
DEED 2013-045137

FILE 7528-041A  
1.71 ac. ±  
74,488 ft² ±

Les Schwab Profit  
Sharing Retirement Trust  
298-37, 1979

Pacificorp  
Easement

### ACTIVE DRAWING

THIS DRAWING SHOWS THE PROPOSED  
R/W TO BE SOLD. NOT TO BE  
INCLUDED WITH THE DEED

SUBJECT TO CHANGE

OREGON DEPARTMENT OF TRANSPORTATION

SECTION US 97/MURPHY ROAD: BROOKSWOOD-PARRELL (BEND)

SCALE 1" = 50'

HIGHWAY THE DALLES-CALIFORNIA

DATE MARCH, 2022

COUNTY DESCHUTES

FILE 7528041A

PURPOSE SURPLUS SALE

SEE DRAWING 11B-5-29



**RIGHT OF WAY  
ENGINEERING  
SKETCH MAP**



**FILE ADDENDUM**

(Not to be included with Exhibit A)

**File 7528041A**

Drawing 11B-5-29

Mike Fallert, PLS, ODOT - 3/3/2022

7528041 – Les Schwab Sharing Retirement Trust  
The Dalles – California Highway  
Deschutes County  
Non Throughway

ODOT – To Be Sold

Parcel access language: Restricted to Highway (The Dalles – California) and  
Controlled to Highway (The Dalles – California US97 Business) Reservation of Access  
Sta. 195+18 Westerly, 35'.

This parcel lies within Sections 17, T 18 S, R 12 E, W.M.

This parcel lies within Assessors map 18-12-17 Tax Lot 1600 of Deschutes County.

Area Breakdown:

File 7528041, Deed 2013-045137, Parcel 3 - 74,488 square feet (1.71 ac.) more or  
less, Entirety.

EXHIBIT A - NEXT PAGE)



8/23/2021

$$1'' = 400'$$

Cancelled Nos.  
99  
100 thru 1502  
1602  
1603  
1702  
1703  
1800A1  
1801  
1901  
2002  
2003  
2006A1  
2100 thru 2103  
2200 thru 2213  
2216  
2217  
2300  
2301  
2303  
2304  
2305  
2307 thru 2311  
2401 thru 2405  
2600





**APPRAISAL REVIEW**  
**Property Management**  
**Oregon Dept. of Transportation**

Description Date:

Parcel #	Rights	Area
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File No.:	PM209A-026
Section:	Surplus - Deschutes
Highway:	STW - Statewide
County:	
Review Appraiser:	Bryan Wells

**Access:**

**As of this date, the current appraisals on this file are as follows:**

Appraiser	Signature Date	Date of Valuation	Market Value	Appraisal Status
Ernie Tischhauser	May 3, 2022	April 25, 2022	\$45,000	Recommended

I certify that I have no direct, present or contemplated future personal, financial or family interest in the subject property.

My determination has been reached independently based upon appraisals and other factual data of record without improper collaboration or direction. I have visually examined subject property and comparable sales to this extent:

<b>Land:</b>	<b>\$45,000</b>
<b>Improvements:</b>	<b>\$0</b>
<b>Timber/Crops:</b>	<b>\$0</b>
<b>Other:</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$45,000</b>

The State's appraisals comply with the requirements of "Appraising Real Property," and the "Right of Way Manual." It appears that there is sufficient appraisal background and documentation to support the appraisals. I have taken the following steps to secure clarification or support where needed as described below:

**REVIEW NARRATIVE:**  
**SCOPE OF THE REVIEW**

The following commentary identifies the level of due diligence performed by the reviewer in determining the completeness, adequacy, relevance, appropriateness, and reasonableness of the work under review. This review is based on a field review of an appraisal report completed by Ernie Tischhauser, MAI. In this review, the term 'Report' refers to the appraisal report under review. The appraisal is identified as ODOT File No. PM209A-026.

The date of the appraisal is May 3, 2022 with an effective date of April 25, 2022. A review of the appraisal report was conducted to ascertain if the document conforms to the appropriate appraisal standards and guidelines outlined in ODOT's Guide to Real Estate Appraisal. The appraisal report was specifically reviewed for compliance with the technical requirements of the aforementioned standards as well as for consistency and mathematical correctness. The review appraiser was qualified by education and experience to conduct this appraisal review.

The reviewer read the report as identified herein. During the review process, all submitted documents and correspondence were considered in addition to the appraisal report. The accuracy of



calculations was confirmed. The adequacy and relevancy of the market data cited has been evaluated for propriety and accuracy of application. The report analyses, opinions, and conclusions have been evaluated for consistency. Independent verification of the fee appraisal data was not conducted, nor did the reviewer seek out other relevant data in the market. The reviewer inspected the comparable sales used in the report.

#### APPRAISAL REVIEW COMMENTARY

##### Property Description

The subject property is under the ownership of Oregon Department of Transportation and is a surplus parcel that consists of 78,488 square feet of gross land area. The subject is located along Highway 97 just south of the Murphy Road round-about. The subject is identified by Deschutes County as Tax Lot 1600 on Map 18S12E17 and Tax Account 121073.

The purpose of the appraisal is to provide an estimate of the subject's "as is" value for the potential sale of the subject site to the City of Bend. The subject property will be encumbered with a "reversionary clause" which allows ODOT to regain ownership of the site at any time in the condition it was purchased. The timing of this reversion has not been established and will be based upon the planned development of an interchange between proposed Murphy Parkway and Highway 97. Based upon information gleaned from the City of Bend documents and representative interviews, the timing of reacquisition of the subject property appears to be up to three years. The reversionary clause is considered in determining the highest and best of the site as well as in estimating the site's "as is" value.

The site is zoned General Commercial (CG) by the City of Bend. The CG zone allows the broadest range of commercial enterprise (retail, service, office) together with mixed-use (high density residential over commercial) and industrial (manufacturing, warehousing, transportation). While the subject is physically capable of supporting typical uses in the CG zone, limitations with regard to the reversionary clause diminish potential uses of the site significantly.

Access to the site is available at the northeast corner of the site, or at Engineering Station 195+18. Existing access is suitable for the potential development of the site. It is noted at the existing point of access there is an access easement which provides access to the abutting property to the north over and across the subject property. This easement requires that the easement area not be blocked by any vehicles or objects. The existing access easement has no significant impact on the "as is" value of the site.

##### LAND VALUATION

The appraiser concludes the "as vacant" highest and best use of the property for stand-alone development and for assemblage with an abutting property is the same, or for commercial/industrial storage of materials, vehicles or trailers on a short term basis. Considering the subject's location and limitations due to the planned future use of the site, this conclusion is considered appropriate and well supported.

The sales provide indications ranging from \$4.21 to \$12.52 per square foot. The sales transacted from August 2021 to October 2021. The sales are all zoned for commercial and/or commercial mixed use similar to the subject. In addition, all of the sales were for properties to be developed in conjunction with an abutting property or faced challenges or hurdles in development. Based on the subject's limited use, the appraiser concludes an "as is" value for the site of \$7.00 per square foot, or \$520,000. The appraiser's conclusion is supported.

The appraiser also considers the limited time in which a buyer would have use of the site which is estimated at three years. The appraiser concludes the limited use is similar to the value of three year lease of land suitable for material storage. The appraiser estimates an annual rent at 4 percent of the fee value and then discounts the annual cash flows at an annual rate of 18 percent to reflect the present value of the cash flow. The rental rate is based on ground lease rates ranging from 3 to 10 percent and the discount rate is based on the appraiser's analysis of actual and pro-forma discount rates from developers for a broad range of investment types including subdivisions, PUD's, business/industrial parks and residential/commercial condos. The present value of the cash flows is \$45,000 which reflects a discount of approximately 91 percent off the total value of the site (\$520,000).

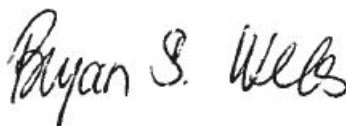
As a test of reasonableness the appraiser compared the indicated discount of 91 percent to discounts applied to other sales in the market in which land was purchased for assemblage. The sales data indicates discounts ranging from 75 to 99 percent which brackets the concluded discount of approximately 91 percent.

The appraiser's concluded value for the subject of **\$45,000** is reasonable and well supported. Although ODOT has not improved the site with structural improvements, a concrete approach is present at the point of access along with some rocked surfaces, cyclone fencing and temporary Jersey barriers. These improvements are concluded to have no significant impact on the "as is" value of the site.

The appraisal report is clear, concise, free of mathematical errors and provides adequate support for the value of the subject property.

Date of Review Report: May 16, 2022

I approve the recommended appraisal and determine Fair Market Value to be: \$45,000



REVIEWING APPRAISER:

Bryan Wells

May 23, 2022

DATE OF REVIEW

This review is for internal use only and not to be handed out with the appraisal. This document is exempt from disclosure under the Public Records Law, ORS 192.501(6) and 192.502(1).



MANAGEMENT APPROVAL  
AND  
ACKNOWLEDGEMENT:



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Julie Deglow

Right of Way Chief Appraiser - Appraisal Reviewer

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May 23, 2022

DATE