

# **PUBLIC LANDS ADVISORY COMMITTEE PRESENTATION**

## **WEST SIDE JOHNSON CREEK LAND PARTITION PROPOSAL**

Presented by Jeff Samuels | April 28, 2022



# OLCC HEADQUARTERS AND WAREHOUSE 9079 SE MCLOUGHLIN BLVD., MILWAUKIE



# BACKGROUND

- In 1953 the OLCC purchases property for HQ and warehouse – 14.17 acres
- **March 15, 1970** - OLCC leases west side Johnson Creek land to the City of Milwaukie – 2.66 acres
  - 99 year lease (to year 2069)
- **July 1, 1979** – City of Milwaukie subleases to Clackamas County Community Corrections (CCCC) the west side Johnson Creek property owned by OLCC
  - 20 year lease (to year 1999) for \$1 per year
- **March 9, 1992** – OLCC and CCCC enter into direct lease of west side property
  - 30 year lease (to year 2022) for \$1 per year
- **August 5, 1999** – OLCC and CCCC Lease amendment
  - Area and termination notice change with all other same lease terms and end date
- **March 8, 2022** – OLCC and CCCC enter into Lease extension
  - Month to month until February 1, 2025 under same terms and \$1 per year

# SPECIAL CIRCUMSTANCES

- **Unique Long-term Lease**
  - OLCC owns and leases land to CCCC
  - CCCC owns and operates two community correctional facilities (Men's and Women's) located on OLCC land
    - Community services provided include rehabilitation services in lieu of jail time for low level offenders of drug and alcohol offenses
- **Lease End or Termination Clause** – two remedies
  - OLCC to compensate CCCC the appraised value (approx. \$2.6 million) of CCCC owned buildings; or
  - CCCC would have to remove buildings at their expense and bring OLCC land back to original condition
- **Futile Act Request**
  - Based upon the above unique circumstances a Futile Act request was submitted by OLCC; and approved by DAS on May 20, 2021



# ENCUMBRANCES & SET BACKS

## Johnson Creek

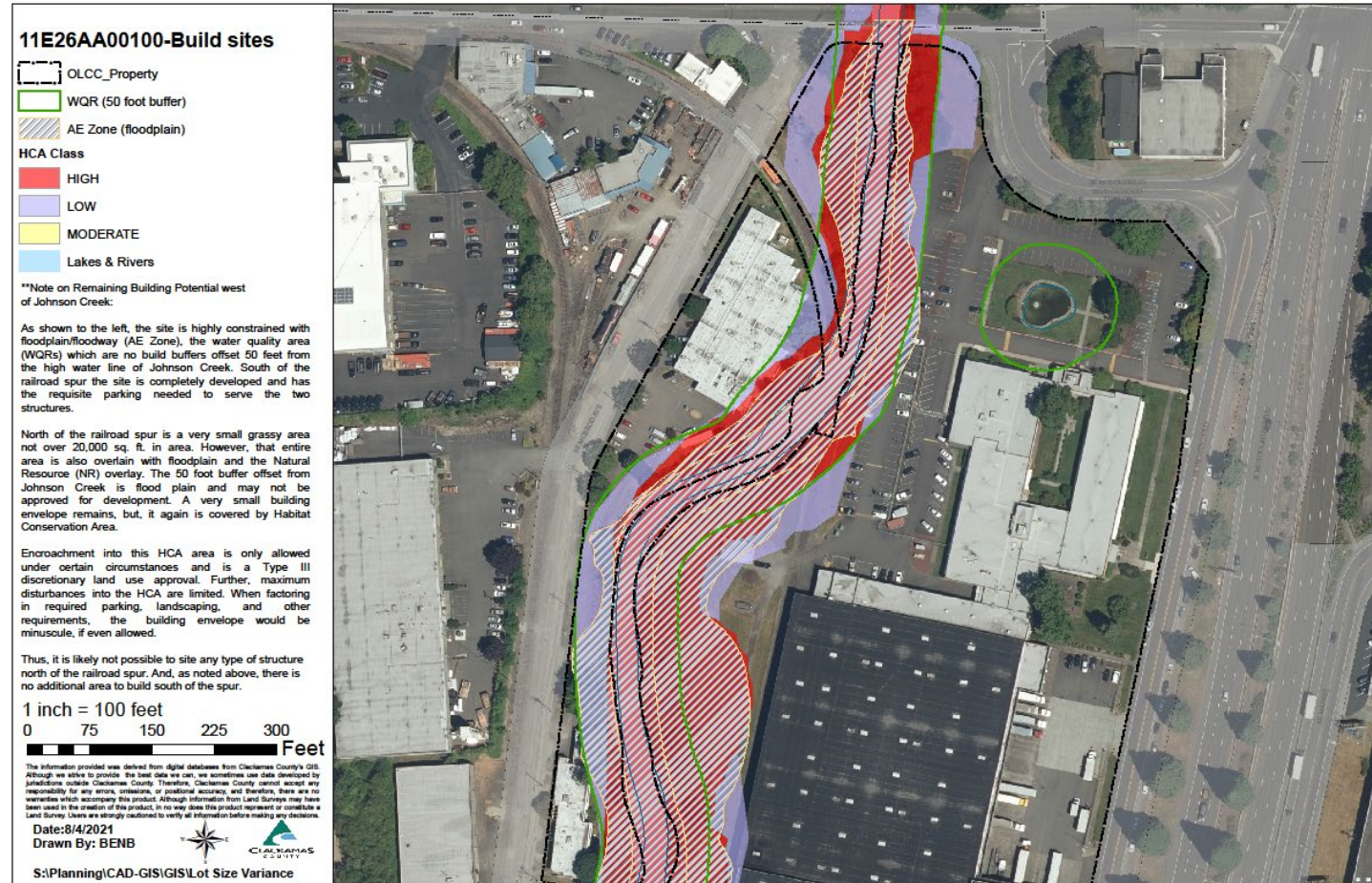
### Floodplain

- 50' set back

### Water Cons Area

### Habitat Cons Area

A private **Railroad** also splits the west side property



# APPRAISALS

## North Triangle Section

\* This piece is basically fully encumbered land based upon environmental issues and setbacks

Appraisal showed:

24,000 sq. ft. (.55 acre) appraised value at \$2.00/sq.ft. = \$48,000





# APPRAISALS CON'T



## Middle Section

Clackamas County Comm. Corrections  
Men's Facility

Appraised Value:

CCCC Bldg @ \$2,030,000

OLCC Land (1.41 acres):

41,000 buildable sqft @ \$8 sqft = \$330k

20,600 non-buildable sqft @ \$2 = \$40k

Total OLCC land appraised value: \$370,000

# APPRAISALS CON'T



## South Section

Clackamas County Comm. Corrections  
Women's Facility

Appraised Value:

CCCC Bldg @ \$580,000

OLCC Land (.70 acre):

13,100 buildable sq ft @ \$8 sqft = \$105k

17,500 non-buildable sqft @ \$2 = \$35k

Total OLCC land appraised value: \$140,000

Overall west side appraised value: \$558k



# OLCC COMMISSION PRESENTATION & DECISION

At the March 17, 2022 Oregon Liquor and Cannabis Commission meeting OLCC staff presented the following to the Commission:

- OLCC not utilizing the west side Johnson Creek land for over 50 years
- Long-term lease of land by CCCC for over 42 years at \$1 per year
- CCCC owns two correctional facilities on OLCC land
- CCCC providing vital community corrections and rehabilitative services
- Long term commitment by CCCC to continue operation of their facilities on property
  - Community service
  - Ability to tackle deferred maintenance (roof, parking lot)
  - CCCC commitment to pay for all land transfer costs to partition west side Johnson Creek land (survey, transfer fees, etc.) and reimburse OLCC for related DOJ Attorney fees associated with Partition
    - Estimated at \$30k to \$50k

The OLCC Board of Commissioners felt the lease end or termination approach was not in the public's interest and unanimously approved a plan to partition the entire west side Johnson Creek land to CCCC at no cost with CCCC to pay all related partition fees and reimburse OLCC for related DOJ attorney fees.