I. Proposed Real Property Transaction:

- The Oregon Liquor and Cannabis Commission (OLCC) is seeking to dispose of approximately 2.66 acres of land located in Milwaukie, Clackamas County, Oregon, through a land transfer/partition of said land to Clackamas County Community Corrections (CCCC).
- The 2.66 acres of land is located on the west side of Johnson Creek and is part of a larger overall parcel of land, 14.17 acres, owned by OLCC and where the OLCC Headquarters and main Warehouse is located.

II. Reason for PLAC Review:

- In compliance with ORS 270.120 (6), the PLAC shall advise Agency and DAS on the disposal of this property.

III. Background Information

- The west side land owned by OLCC, located across Johnson Creek from the OLCC Headquarters, is partially encumbered as it is within a floodplain, as well as, Water Conservation and Habitat Conservation Areas with setbacks and non-buildable areas.
- There is also a private railroad that separates the west side Johnson Creek land.
- CCCC has sub-leased or leased land, located on the west side of Johnson Creek, from OLCC for over 42 years for $1 per year.
- The OLCC and CCCC lease is unique in that OLCC owns the land and CCCC owns and operates two community corrections facilities on OLCC’s land.
- Because of the unique agreement and encumbrances, OLCC submitted a Futile Act Request regarding the plan to partition/transfer the land to CCCC, which was approved by DAS on May 20, 2021.
- Appraisals of the west side Johnson Creek land have been updated as of February 2022.
- OLCC and CCCC are collaborating on this proposed plan.
- OLCC is working closely with DOJ on all aspects of this proposed plan.
- On March 17, 2022, the OLCC Board of Commissioners approved the plan to partition the 2.66 acres of west side Johnson Creek land to CCCC at no cost with CCCC to pay for all land transfer costs and to reimburse OLCC for related DOJ attorney fees.

IV. Topics for PLAC Consideration.

- General review of agency plan.

V. Staff Comments
A factor in compensation worth considering is the improvements that may be required under a partition. In staff opinion, the value of any improvements required to the OLCC main parcel may be considered compensation if they are undertaken by the County as part of the transaction, as may all the costs for the land use process which are paid by the County.

VI. PLAC Findings:

- PLAC recommends approval of the partition process.
- Committee noted that Clackamas County has benefited from a $1/year lease for multiple decades, and that the proposed transaction would further benefit Clackamas County with donation of a $500,000 asset. Such a donation is not equitable to other Oregon counties who have not so benefited.
- Committee recommends pursuing a market value transaction with Clackamas County and does not support donating the property.
- Committee requests a follow-up review of the transaction when terms are reached with Clackamas County.

Concurrence with Findings:

John Brown, Chair

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