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Index #: 16-004-003

Ron and Glenda Saunders
15211 S. Tioga Road
Oregon City, OR 97045

Subject: Meyers Road Right of Way Acquisition (PS 16-009)
Tax Assessor's I.D. 32E09C Tax Lot 00200
Letter of Agreement

Dear Mr. and Mrs. Saunders,

On, December 31, 2018, the City of Oregon City made an offer to purchase a strip of land containing 66,124 square feet (1.518 acres) varying in width from 43 to 95 feet wide, that will bisect the property identified above, for construction of Meyers Road. The amount offered was \$330,620 based on \$5.00/sf value for the land.

The City also offered to purchase a permanent easement over two areas for slopes and placement of utilities. The areas are located on each side of the proposed roadway. The two areas contain a combined 21,834 square feet (0.501 acres). The amount offered was \$32,880 for the combined areas based on an estimate of 30% of the land value. $[21,834 \times \$5.00 \times 30\% = 32,751 \text{ which was rounded to } \$32,880]$ The total amount of the offer for easement and roadway was **\$363,500**.

You countered that compensation for the Permanent Slope and Utility Easement be valued at the rate of 40% instead of the 30% offered by the City. If this is accepted by the City, compensation would be \$43,668 for the easement $[21,834 \text{ sf} \times \$5.00/\text{sf} \times 40\% = \$43,668]$.

The revised amount of compensation for both documents would be **\$374,288** if agreement is reached.

In earlier conversations, the City offered to construct two new commercial access driveways and to extend sewer and water stub outs to the property. The estimated costs of construction were to be deducted from the agreed compensation amount. Our understanding is that you desire to have this work done by the project.

Based on this information, in order to reach agreement and to avoid litigation, the City of Oregon City accepts the counter offer contained in your latest response. In addition, the City agrees to construct two additional commercial driveways, in addition to the one originally planned to be constructed by the project, and to install two water line stub outs and two sewer stub outs. City acceptance of the counter offer and this agreement is based on the following assumptions:

- That the cost of the two commercial access driveways is \$42,000.
- That the cost of two sewer laterals is \$12,000.
- That the cost of two water line laterals is \$31,000.
- That the commercial driveways and sewer and water stub out lines will be constructed at the locations shown on the exhibit titled Meyers Road Extension Project that accompanies this response.
- That you will grant a right of entry to permit the City to enter onto your property to place a compacted gravel slope behind the three commercial access driveways when they are constructed by the City. The Right of Entry, for your review and signature, accompanies this letter.

Based on acceptance of your counter proposal, and construction work to be done by the City, the compensation remaining to be paid to you will be \$289,288 as shown in the summary below.

VALUATION	Value / (Rounded)
Revised Compensation Amount	\$ \$374,288
2 - 40" Driveways	\$ -42,000
2 - 8' Water Service Stub Outs	\$ -31,000
2 - 8" Sanitary Sewer Stub Outs	\$ -12,000
Compensation Remainder	\$ 289,288

The Deed of Dedication and the Permanent Slope and Utility easement accompany this letter for execution. The \$85,000 offset for construction of the improvements has been subtracted from the Deed of Dedication to arrive the amount of \$245,620. The Permanent Slope and Utility Easement made in the amount of \$43,668, reflects the 40% of fee value for the eased area.

For your information:

- The City increased the size of the sewer line from 6" to 8" in the final design.
- The City is not prepared to provide a written guarantee that truck access will be allowed from the south remainder parcel from Glen Oak Road after the roadwork is completed.

However, the Oregon City Municipal Code 12.04.025 allows one driveway per frontage. In the future, when the property is developed, the location of a driveway would be included in the land use review. Any driveway will have to meet applicable codes at the time of development. In sum, the current code does not prohibit truck access off of Glen Oak Road.

Upon receipt of the executed documents, I will submit them to the City for acceptance as required by law after which they will be submitted for payment.

I am a notary and am prepared to meet with you to conclude this transaction if this would be helpful and the materials satisfactory.

Please contact me with any questions or concerns by phone at (503) 644-3436 or by email at david@rowainc.com.

Sincerely,

A handwritten signature in cursive script that reads "R David Feinauer".

R. David Feinauer, Agent

Enclosures: Deed of Dedication, Permanent Slope and Utility Easement, Meyers Road
Extension Project Exhibit, Right of Entry, W-9 Form

c: Dayna Webb, P.E.