Eugene City Council
125 E. 8th Ave., 2nd Floor
Eugene, OR 97401-2793
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

June 21, 2017

12:00 p.m. CITY COUNCIL WORK SESSION
Harris Hall
125 East 8th Avenue
Eugene, Oregon 97401

Meeting of June 21, 2017;
Her Honor Mayor Lucy Vinis Presiding

Councilors

Alan Zelenka, President	Mike Clark, Vice President
Emily Semple	Greg Evans
Claire Syrett	Chris Pryor
	Betty Taylor

12:00 p.m. CITY COUNCIL WORK SESSION
Harris Hall, 125 East 8th Avenue

A. WORK SESSION:
Measure 49 Claim for Property Located at 1777 E. 30th Avenue, Eugene, Oregon

B. WORK SESSION:
New Housing Developments Where Unimproved Roads Are the Main Access

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010,
or visit us online at ***www.eugene-or.gov.***

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Measure 49 Claim for Property Located at 1777 E. 30th Avenue, Eugene, Oregon

Meeting Date: June 21, 2017 | Agenda Item Number: A
Department: Planning and Development | Staff Contact: Alissa Hansen
www.eugene-or.gov | Contact Telephone Number: 541-682-5508

ISSUE STATEMENT
At an upcoming meeting, the City Council will be acting on a resolution regarding a Measure 49 claim submitted by Chad and Katie Wilson for the alleged reduction in fair market value of their property located at 1777 E. 30th Avenue, Eugene, Oregon. This work session is a chance for staff to talk with the City Council about the requirements of Measure 49 generally and the specifics of the Wilson Measure 49 claim. A map of the property that is the subject of the claim is provided as Attachment A.

BACKGROUND
Measure 49
In 2004, Oregon voters adopted Measure 37, which required the state and local governments to compensate private property owners or waive enforcement of land use regulations when those land use regulations reduced the value of their property. Enacted in 2007 to modify Measure 37, Measure 49 (codified as ORS 195.300-195.336) generally grants a property owner of residentially zoned land located within an urban growth boundary the right to compensation or waiver of a land use regulation if five requirements are met. First, the regulation must constitute a "land use regulation" as that term is defined by Measure 49. Second, the public entity against which the claim is made must have enacted the regulation after January 1, 2007, but not more than five years before the date the claim was filed. Third, the regulation must "restrict the residential use" of residentially zoned private property. Fourth, the effect of the regulation must be to cause a reduction of the fair market value of the property. Fifth, the regulation must not fall within one of Measure 49's six exemptions.

The Council must decide: 1) whether a Measure 49 claim meets all five requirements listed above, and 2) if the Measure 49 claim meets all five requirements, whether to compensate the claimant, or waive enforcement of the land use regulation.

The Measure 49 claim filed by Chad and Katie Wilson seeks a waiver of a City land use regulation, adopted in 2014 as part of the Single Family Code Amendments, which limits the height of a detached secondary dwelling unit on the Wilsons' property. The Wilsons assert that the land use regulation, which limits and prescribes a certain method of measuring the height/sloped setback of detached secondary dwelling units, restricts the residential use of their property, as it prohibits the conversion of the existing dwelling (built in 2004) into a secondary dwelling. As a result, they

assert that this regulation reduces the fair market value of their property, and that the regulation should be waived.

A City Council public hearing on this Measure 49 claim was held on January 17, 2017. Four people testified at the hearing. Written testimony received at the public hearing was provided to the City Council under separate cover in January. Following the public hearing, the City Council left the record open for submission of written testimony and to allow the claimant to submit rebuttal argument and evidence.

On January 24, 2017, the City received an email from the claimants' attorney extending the deadline for a decision on the claim for an additional 60 days, and requesting that the City hold off on processing the claim in the interim, to allow the claimants and neighborhood stakeholders to discuss a possible alternative resolution to the claim. On May 10, 2017, the City received a second email from the claimants' attorney, requesting an additional 30-day extension to allow the claimant to continue discussions with neighborhood stakeholders. This additional 30-day extension moves the City's decision deadline to June 30, 2017.

On May 22, 2017, the City Council established the following schedule for closing the record for the Wilson Measure 49 claim: The record closed to everyone but the claimant at 5:00 p.m. on June 5, 2017. The claimant was allowed to submit rebuttal argument and evidence responding to testimony or submittals received during the open record period until 5:00 p.m. on June 12, 2017. All testimony and evidence received since the January 24 public hearing is provided as Attachment B to this AIS. The written testimony received prior to and at the January 24 public hearing is available http://pdd.eugene-or.gov/LandUse/SearchApplicationDocuments?file=M49-16-0001. Copies were previously provided to the City Council under separate cover.

The Council must approve or deny this claim no later than June 30, 2017. Therefore, Council action on this claim is scheduled for June 26, 2017.

Staff will be available to talk through the application and record materials and answer questions from the City Council at the work session.

RELATED CITY POLICIES
None.

COUNCIL OPTIONS
None; information only.

CITY MANAGER'S RECOMMENDATION
None at this time. A recommendation will be provided prior to Council action on this claim.

SUGGESTED MOTION
None. A motion will included in the council packet for action, which is scheduled for June 26, 2017.

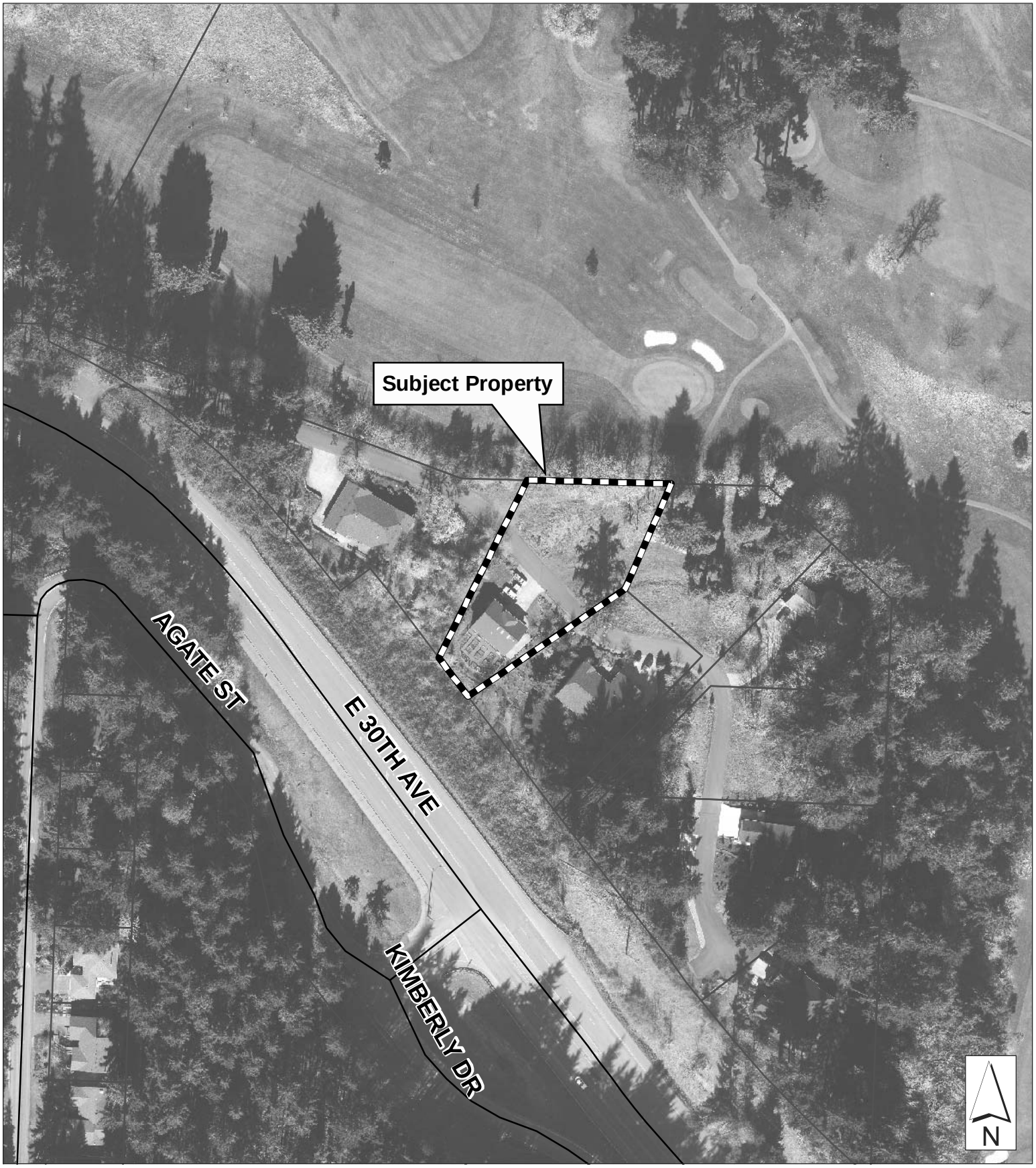
ATTACHMENTS

A. Vicinity Map
B. Written testimony submitted after the January 17, 2017, hearing through June 12, 2017

FOR MORE INFORMATION

Staff Contact: Alissa Hansen, Principal Planner
Telephone: 541-682-5508
Staff E-Mail: alissa.h.hansen@ci.eugene.or.us

Attachment A - Vicinity Map
1777 East 30th Avenue



Subject Property
Streets
Taxlots

0 150 300 Ft

Caution:
This map is based on imprecise source data, subject to change, and for general reference only.

September 2016

Eugene

HANSEN Alissa H

From: Aspegren <aspegren@comcast.net>
Sent: Sunday, June 04, 2017 9:10 PM
To: *Eugene Mayor, City Council, and City Manager
Cc: HANSEN Alissa H
Subject: Testimony Regarding Measure 49 Claim for 1777 E. 30th Avenue

Please review my written testimony submitted January 10, 2017 (http://pdd.eugene-or.gov/LandUse/DocumentDetails?file=M49-16-0001&id=1849454 starting at page 161) and my public hearing testimony from January 17, 2017 (http://pdd.eugene-or.gov/LandUse/DocumentDetails?file=M49-16-0001&id=1847413 starting at page 5) before reviewing the Wilson's Measure 49 claim for 1777 E. 30th Avenue.

The above testimony presents ample evidence why the claim should be rejected.

In summary:

- The structure in question could not have qualified as a Secondary Dwelling Unit (SDU) when it was built in 2004, based on square footage, and for that same reason still did not qualify after the R1 changes became effective in 2014.
- The appraisals ignore the above fact and therefore do not present any evidence justifying a loss of property value, based on code changes. They also did not evaluate factors beyond the R1 changes that may have affected property values.
- The City's attorney informed Bill Kloos, the Wilson's attorney, that a SDU could be built on the Wilson's property both prior to and after the R1 changes. The changes did not restrict the use of the property, and could not be responsible for any alleged loss of property value.
- Granting an exception by allowing the existing structure at 1777 E. 30th Avenue to be classified as a SDU sets a precedent for granting other unjustified exceptions. **Don't allow this to happen.**

The decision on the Measure 49 claim has been postponed several times. It is time for the Council to reject it, based on the fact that it is not a valid claim.

Bill Aspegren

HANSEN Alissa H

From: Paul Conte <paul.t.conte@gmail.com>
Sent: Monday, June 05, 2017 11:40 AM
To: HANSEN Alissa H
Cc: *Eugene Mayor, City Council, and City Manager
Subject: Please deny Wilson Measure 49 Claim (M49 16-001)

Alissa,

Please enter this into the record for the above captioned application.

Dear City Councilors,

Thank you for extending the deadline on this Measure 49 claim so that we could work with the applicant and city staff to explore alternative solutions that would be legal and acceptable to all parties.

With the help of Alissa Hansen, we crafted a solution for a legal division of the Wilson's existing lot on which there is a dwelling that would not conform to the standards for a Secondary Dwelling Unit (SDU).

With this approach, the Wilsons could divide their lot so a new lot on the south side of the road would have the existing dwelling as a "normal" dwelling, and the Wilsons could build a larger dwelling on the new lot on the north side of the road.

(Chad Wilson expressed to me that he and his wife had initially wanted to place their primary dwelling north of the road so it would overlook the golf course, which this solution would accomplish.)

Recently Mr. Wilson called me and said he thought it might cost about $20,000 for all the necessary actions to divide the lots and that the resulting property taxes might be higher. Consequently, Mr. Wilson did not want to pursue the lot division solution.

Mr. Wilson suggested several alternatives; however, they all involved approving the M49 claim, which we believe would a) be unlawful, and b) open a huge loophole for other property owners to file M49 claims to circumvent reasonable development standards.

At this time, a lot partition appears to be the only lawful way that the Wilsons can have two dwellings on their land (other than reconstructing the current dwelling to meet R-1 code standards for SDUs).

As pointed out in prior testimony, there are numerous ways in which the M49 claim does not meet the criteria for approval.

While I understand Mr. Wilson's reluctance to incur expense for a lot division, I believe that approach provides a reasonable solution. Mr. Wilson's choice in not pursuing that alternative would not justify approving a M49 claim that doesn't meet the letter and intent of the law.

Thank you for your consideration.

Respectfully,

Paul Conte
1461 W. 10th Ave.
Eugene, OR 97402

_____

PAUL CONTE
Accredited
SUSTAINABLE HOMES PROFESSIONAL
541.344.2552

HANSEN Alissa H

From: Carolyn Jacobs <carolyn.i.jacobs@gmail.com>
Sent: Monday, June 05, 2017 3:29 PM
To: HANSEN Alissa H
Cc: *Eugene Mayor, City Council, and City Manager
Subject: Measure 49 Claim
Attachments: Measure 49 Final.odt

Alissa: please enter the following comments into the record for the Chad Wilson Measure 49 Claim.
Thank you.

Dear City Councilors: I am requesting that, due to a lengthy delay, you please reread my testimony previously entered into the record on January 17, 2017. (It is also attached below).

As I explained in detail, this claim must be denied as it is absolutely without merit. It failed to demonstrate any restriction in the use of the land and therefore failed to prove any devaluation of the property. The property could have legally included a primary residence and an SDU before 2014 code changes and after. The existing structure never was an SDU (it was the sole primary residential structure on the property) and it never met the standards for and SDU. It would not meet today's standards - either neighborhood specific standards **or City-wide standards** which in some areas are **more** restrictive than the neighborhood specific ones as I detailed in my original testimony. The option to modify the structure to bring it into compliance with SDU standards (as is common practice throughout the City) and build a new house has always existed.

Due to the absolute lack of compliance with many critical requirements this is not a situation which should even be considered for an exception. The precedence that you would be setting by such a move would be to diminish the strength and usefulness of the the Code as we all know it.

-Carolyn Jacobs

Testimony for Measure 49 Claim Regarding 1777 E. 30th Ave.

January 10, 2017
Mayor, City Council and City Manager:

The following testimony is presented as proof that the Measure 49 Claim for 1777 E. 30th Ave is without merit because it fails to demonstrate any restriction whatsoever in the use of the property and is based on unsound and unprofessional appraisals as well and that the claim also singles out the area specific code standards of E.C. 9.2751(17)(c)9 as limiting the value and use of the property in question though all evidence shows to this to be false and thereby misleading.

A). Prior to 2014 R1 code amendments, the property in question could only correctly have been appraised as a large lot (27,878 sq') with a very small (864 sq' according to both the permit applications submitted by the claimant to the City and as described in the hypothetical appraisals) primary residential unit (over an accessary garage/shop). That's all. While the property was large enough to have also had a secondary dwelling unit (SDU) it did not have one. Since the existing structure was the only structure on the property it could not, by definition, have been an SDU (nor did it even meet the 800 sq' limitation spelled out in the City code **prior** to 2014). In determining the value of the property in 2013 an appropriate appraisal should have compared this property to similarly large lots with very small homes.

After adoption of the 2014 R1 code amendments the potential use of the property was unchanged. It could have included both a primary house and an SDU. The preexisting structure could have been enlarged or remodeled to become a very different looking primary residence and another structure, 800sq' or less, could have been built. The other option would have been the construction of a new primary residence and, **as is common practice city-wide**, the original preexisting structure could have been **modified** to meet **current** SDU standards. This of course remains the current situation.

To summarize, the adoption of R1 code amendments in 2014 had no effect on the **use** of this property. Before, and after, this date the property could accommodate a primary residential unit and an SDU. This was confirmed by Anne Davies, Assistant City Attorney in a memo from April 20, 2016 when she wrote that "*Under Staff's review, it appears that **a primary residential use and a secondary dwelling were allowed under the previous regulation, and that the same uses are allowed under Ordinance N. 20526***," the 2014 R1 code amendments. For the reasons spelled out above, the existing building was never an SDU, never met the standards for an SDU and would not meet the standards today. The option to modify it to bring it into SDU compliance and build a new house was there before the 2014 code amendments and is still there.

Therefore, the Measure's claim that *"... under the new regulation, the existing dwelling would have to be decommissioned as a secondary dwelling. . . impacts the market value, as reflected in the appraisals."* is clearly intended to mislead the reader as there would be no decommissioning involved in any legal scenario as there was/is no secondary dwelling.

And while ORS 195.305(1) specifies that the regulation must "restrict the residential use" it is clear that the residential **use** was in no way whatsoever affected by any 2014 code amendments.

B). Despite lacking a sound argument for the claimants having been restricted in the **use** of their property the claim proceeds to provide appraisals of very questionable value and in an unacceptable manner.

A group of appraisals was entered into the record and when the group didn't meet the requirement for having been done one year before and one year after code changes the dates on all the appraisals were simply changed and resubmitted. The results were appraisals for any number of properties that were identical two years apart – **new dates but no changes in value**. This is absolutely not credible. Of course, reentering the same appraised value with a new date without an explanation should have immediately raised a red flag for staff.

Beside the fact that none of the comparables were large properties with small residential units, many of the comparables were peculiar, if not wrong choices in other ways such as the location in an R3 zone for one and location outside the UGB (and in the Springfield school district!) for another. No appraisal was included for a very similar neighboring property which did sell in the years under consideration (1781 E. 30th Ave).

That said, a convincing argument could have been made if the claim had provided an equal number of (similar) comps **inside** the area specific neighborhood and **outside** the same area and then shown that over the two-year period those outside the area had increased in value and those within had either remained the same or decreased. Given the so-called evidence provided, this claim completely fails to support the argument for loss of value due to area specific code amendment 9.2751(17)(c)9.

A complete analysis of residential property values would also be expected to look at all factors at play in the real estate market. Failure to take into account the many **market trends** at play would alone invalidate any conclusion as to what caused fluctuations in a property's appraised value.

It is also highly unusual to base the claimants' pre and post property values on hypothetical primary residences and hypothetical SDU's. Common practice would assume values based on existing structures. According to ORS 195.332 "The fair market value of property does not include any prospective value or possible value based upon future expenditures and improvements." Therefore, a set of appraisals dependent on the use of several hypotheticals would be rendered invalid.

City Councilors should insist at minimum on an independent appraisal review.

C). The use of 9.2751(17)(c)9 (area specific code addressing height/interior setback requirements) was apparently intended to mislead anyone studying this case. While the goal may have been to cast doubt on the fairness of area specific code standards, the complete picture reveals that without the area specific code amendments the claimants' **property would have been required to meet city wide standards and the city-wide standards are in some cases more limiting.** Consider the following:

The city wide equivalent code section 9.2751(17)(b)5 (addressing height/interior setback requirements) contains the same language as the area specific for parts **a** and **b**. However, part ***c*** "allows for adjustments for an SDU **over an Accessory Building** as in 9.8030(34)b" but requires compliance with all of three listed conditions. Condition #2. states that the SDU is limited to **600sq'** and **15'** in height.

An additional city wide standard 9.2751(3)d which states that "*An additional 7 feet of building height allowed for roof slopes of 6:12 or steeper in the R-1. . .is* ***not permitted in the R-1 zone for secondary*** *dwellings, accessory buildings ..."* would also have affected the claimants' ability to designate the existing building as an SDU without serious modifications.

In a Measure 49 claim such as this City Councilors should again insist on an independent inspection of the property to accurately determine measurements of height, setback, square footage etc. Accepting those of the claimant is not satisfactory.

In conclusion, one is left to contemplate what the motivation might have been for singling out the 2014 **area specific** R1 code changes as the claim fails to prove them responsible for a real or hypothetical reduction in property value. For failing to prove usage restrictions, for failure to provide legitimate appraisals, and for failure to prove a reduction in property value this claim must be denied.

Resubmitted January 17, 2017

by Carolyn Jacobs
2040 Agate St.
Eugene, Oregon 97403

Eugene Planning

Memorandum

Date: June 5, 2017

To: Mayor and City Council

From: Alissa Hansen, Planning Division

Subject: Wilson Measure 49 Claim (file # M49 16-1)

Secondary Dwelling Building Size

Following the January 17, 2017, public hearing on the Wilson Measure 49 claim, Councilor Zelenka requested information regarding the 800 square foot building size limitation for secondary dwellings. To clarify, the 800 square foot restriction for secondary dwellings was in place in 2002; however, the method to measure square footage was not as specific as the language adopted in April 2014. Below is the language adopted in April 2014 that applies to the current situation, as the Wilson property is located in the R-1 zone and within the boundaries of Fairmount Neighbors.

9.2751 Special Development Standards for Table 9.2750.

(17) Secondary Dwellings in R-1.

(c) Area-Specific Secondary Dwelling Standards. The following standards apply to all new attached or detached secondary dwellings in the R-1 zone within the city-recognized boundaries of Amazon Neighbors, Fairmount Neighbors and South University Neighborhood Association:

5. Building Size. For lots at least 7,500 square feet and less than 9,000 square feet in area, the secondary dwelling shall not exceed 600 square feet of total building square footage. For lots at least 9,000 square feet in area, the secondary dwelling shall not exceed 800 square feet of total building square footage. Total building square footage is defined as all square footage inside of the dwelling, including, but not limited to hallways, entries, closets, utility rooms, stairways and bathrooms.

Staff reviewed the plans submitted to the City of Eugene as part of building permit #14-03407-01 (see attached plans) to confirm if the existing dwelling on the Wilson property meets the building size standard at EC 9.2751(17)(c)5 (above) for conversion to a secondary dwelling. This permit was submitted by the claimants in June 2014 to convert the dwelling into a secondary dwelling, and was later cancelled by the claimants when it was determined that the dwelling did not meet current building height standards for a secondary dwelling.

Because the subject property exceeds 9,000 square feet in area, the maximum building size for a secondary dwelling on the property is 800 square feet. Although various sources cite different square footages for the dwelling, presumably based on different methods of measurement, based on the standard at EC 9.2751(17)(c)5., staff finds that the total building square footage for the dwelling is approximately 712.25 square feet. This number is arrived at by measuring the square footage inside the dwelling, with the exception of the mechanical equipment space (which does not meet the minimum ceiling heights of 7 feet required for

habitable space in a dwelling per Oregon Residential Specialty Code (R 305.1)). This is consistent with how staff applies this standard to secondary dwellings.

Options for Claimant

Testimony has suggested that the Wilson property could be developed with a secondary dwelling without a waiver of the building height restriction in EC 9.2751(17)(c)9. Below are four options for developing the Wilson property with a secondary dwelling (not including a land division, which appears not to be permissible under current covenants, conditions and restrictions (CC&Rs) imposed on the property):

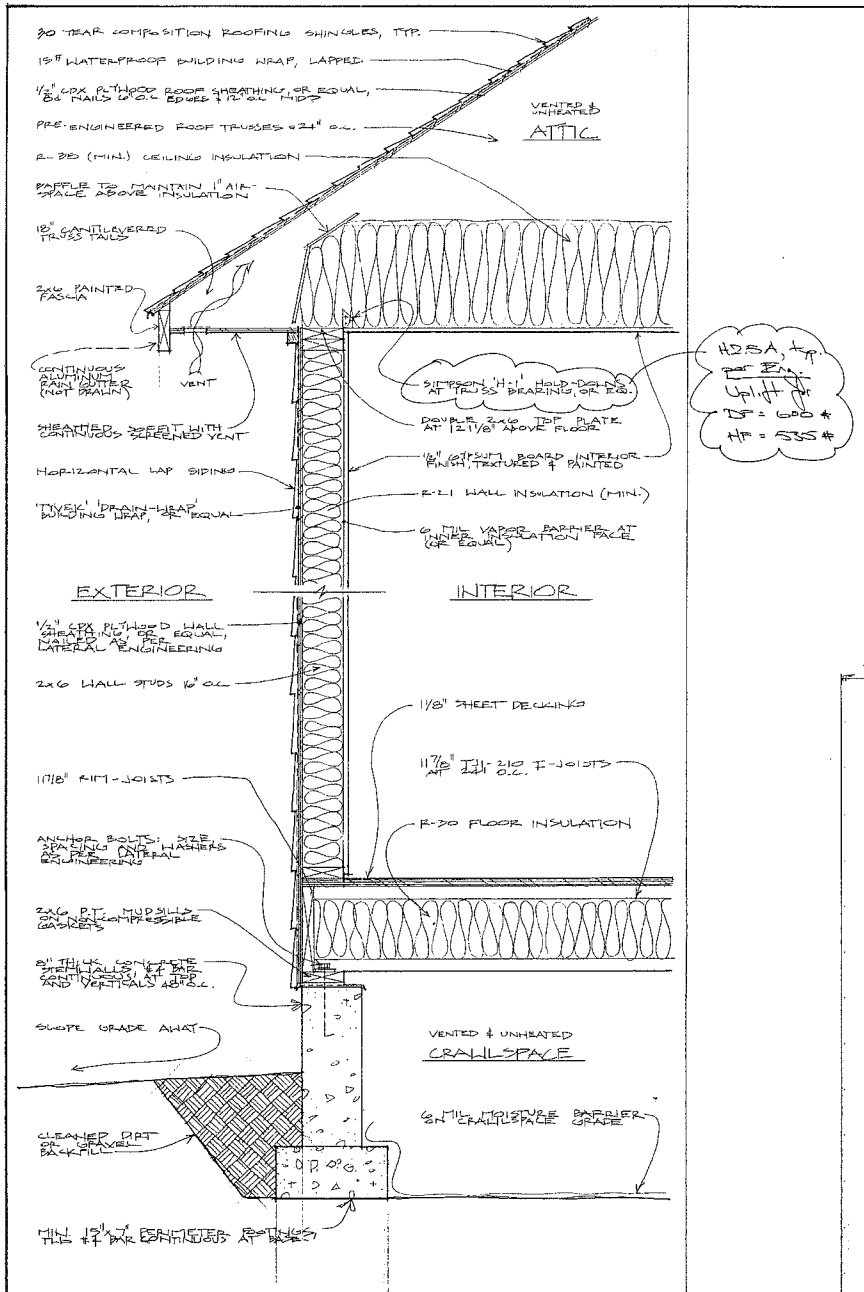
1. The kitchen could be removed from the existing dwelling (and the existing dwelling would therefore be considered detached accessory living space rather than a secondary dwelling unit), and a new primary dwelling and a secondary dwelling could be built on the property.
2. The entire structure containing the existing dwelling could be demolished, and a new dwelling and a secondary dwelling could be built on the property.
3. The structure containing the existing dwelling could be altered to meet the current height limit for secondary dwelling (this would likely require removing the top floor, and using the lower portion, currently a garage, for the dwelling) and then be converted to a secondary dwelling in conjunction with a new primary dwelling being built on the property.
4. The existing dwelling could remain the primary residence, and a secondary dwelling could be built on the property.

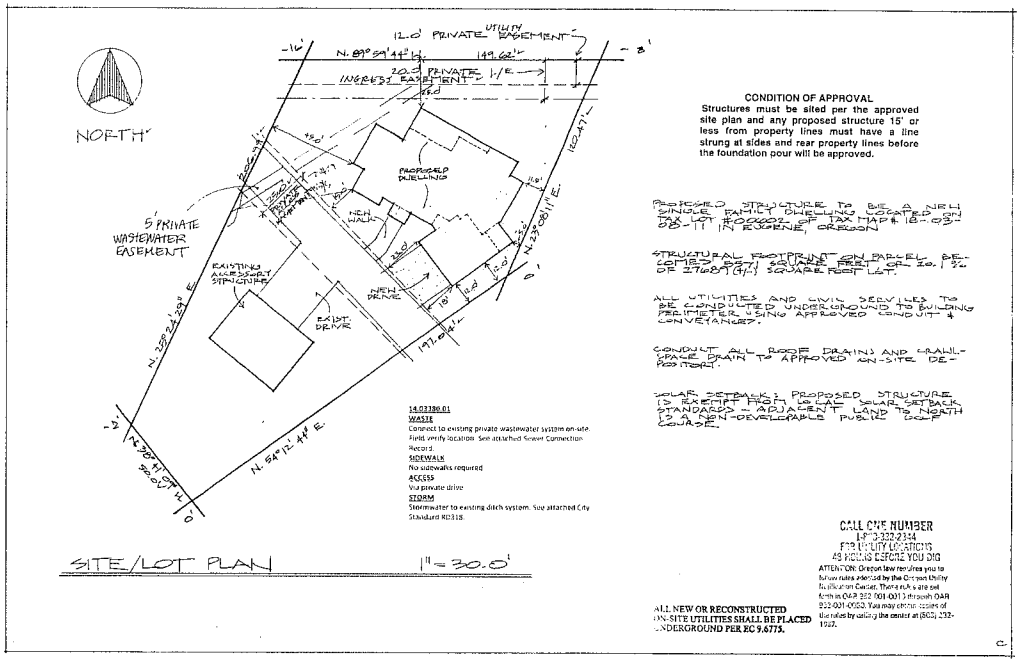
Review of Claimants' Appraisal

The City of Eugene commissioned a desk review of the claimants' appraisal. The result, prepared by C. Spencer Powell of Powell Banz Valuation, is provided as an attachment to this memo, along with selected excerpts from the 2016-2017 Uniform Standards of Professional Appraisal Practice.

Attachments

A. Building Plans for permit #14-03407-01
B. Appraisal Review from Powell Banz Valuation
C. Selected Excerpts from the 2016-2017 Uniform Standards of Professional Appraisal Practice





CONDITION OF APPROVAL
Structures must be sited per the approved site plan and any proposed structure 15' or less from property lines must have a line strung at sides and rear property lines before the foundation pour will be approved.

PROPOSED STRUCTURE TO BE A NEW SINGLE FAMILY DWELLING LOCATED ON 2/4 LOT KNOWN AS TAX MAP # 18-03-08-11 IN EUGENE, OREGON

STRUCTURAL FOOTPRINT ON PARCEL CONSISTS OF 3,971 SQUARE FEET OR .10 ± ACRE (4,356 SQUARE FEET LOT.

ALL UTILITIES AND CIVIL SERVICES TO BE INSTALLED UNDERGROUND TO BUILDING PERIMETER, USING APPROVED CONDUIT & CONVEYANCE.

CONDUCT ALL ROOF DRAINS AND CRAWLSPACE DRAIN TO APPROVED ON-SITE DEPOSITORY.

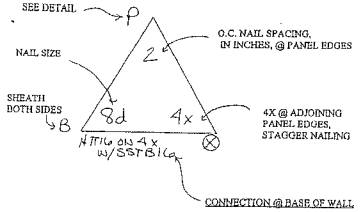
SOLAR SETBACK: PROPOSED STRUCTURE TO EXCEED FROM LOCAL SOLAR SETBACK STANDARDS - ADJACENT LAND TO NORTH IS NON-DEVELOPABLE PUBLIC GOLF COURSE.

CALL OR NUMBER
1-800-332-2344
FOR UTILITY LOCATIONS
48 HOURS BEFORE YOU DIG
ATTENTION: Oregon law requires you to follow rules adopted by the Oregon Utility Notification Center. There is a site set forth in OAR 952-001-0010 through OAR 952-001-0090. You may obtain copies of the rules by calling the center at (503) 232-1987.

ALL NEW OR RECONSTRUCTED ON-SITE UTILITIES SHALL BE PLACED UNDERGROUND PER EC 9.6775.

SHEAR WALL SYMBOL KEY

½" CDX OR 7/16" OSB OR T1-11
BLOCK PANEL EDGES
12" O.C. FIELD



15 GAUGE STAPLE EQUIVALENTS

8d NAILS	STAPLES
6"	4"
4"	2 ½"
3"	4X @ ADJOINING PANEL EDGES 2"
2"	4X @ ADJOINING PANEL EDGES NO EQUIVALENT

HILL & DALE ENGINEERING, LLC
PO BOX 85
VIDA, OREGON 97488
(541) 868-0667
(541) 896-9205
FSH424@GMAIL.COM

Chad Wilson
2794 Bowmont
Eugene, Oregon 97405

Date: Dec. 4, 2013
By: R*
Sheet 1 of 18
Job Number: 221-13

Contact: client
Job Location: 1177 E 30th, Eugene
Job Description: Structural Calculations for proposed SFD

Design Criteria:
- OSSC 2010/ORSC 2011
- Floor Live Load = 40 psf
- Floor dead load = 10 psf
- Roof Snow Load = 25 psf min.
- Roof Dead Load =15 psf
- Wind = 100 mph Exp B
- SDC D
-Assumed soil bearing pressure = 1500 psf

REGISTERED PROFESSIONAL ENGINEER
54822PE
OREGON
JANUARY 15, 2010
PAMELA S. HILLSTROM
12/04/13
EXPIRATION DATE 6/30/15

Geotechnical requirements by others.
Truss reactions by calculation. No truss engineering supplied to engineer.

Sheet Index:

Sheet	Detail	Description
8		Shear Wall Key
10	E/10	Detail at hold down to foundation at rim joist
14	E/14	Porch soffit to wall
17	E/17	Detail at reinforced window (force transfer)
18		Shear Wall Symbol Key

TO BE MICROFILMED

ATTACHMENT C
PLANNING & BUILDING DEPARTMENT
541-344-7115

2013
DECEMBER 19

THE WILSON FAMILY
CUSTOM NEW HOME FOR
MR. CHAD WILSON
TAX MAP # 18-03-08-11 TAX LOT #00602
EUGENE, OREGON
2794 BOWMONT
541-914-1151

•SITE PLAN
•TYPICAL WALL SECTION

SHEET 1 OF 9

TO BE MICROFILMED

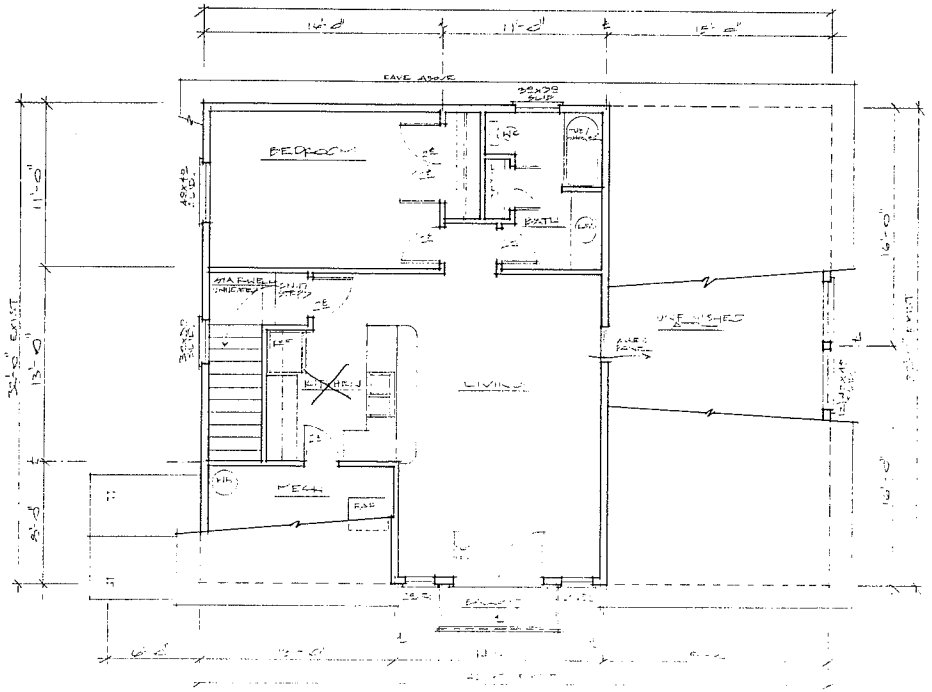
SHEET 2 OF 2

• EXISTING ELEVATIONS

A-1 FOUND STRUCTURE
AT 177 E. 30TH AVE.
EUGENE, OREGON

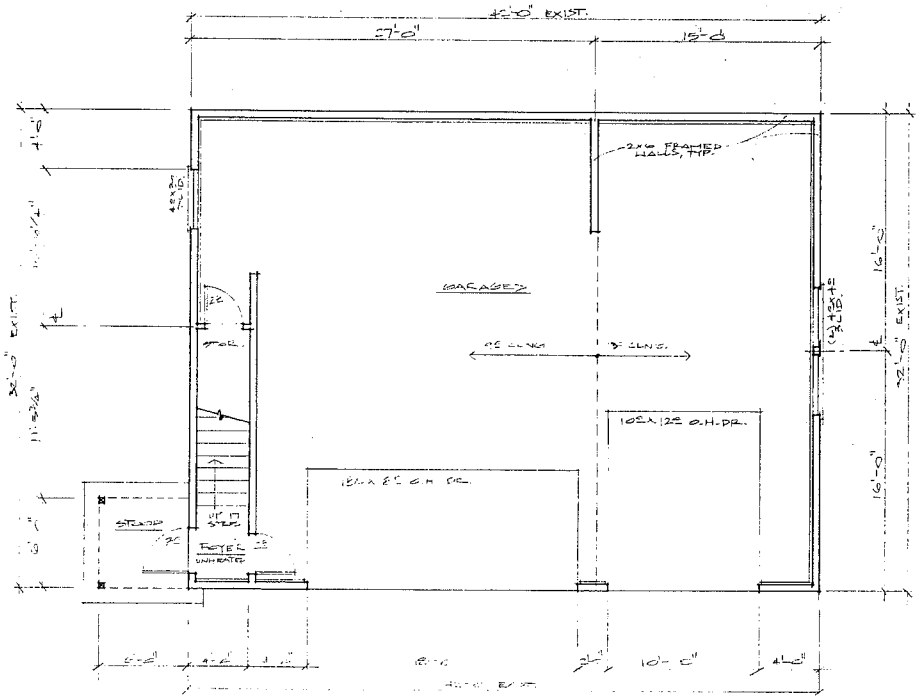
2014

PLANNING DEPARTMENT



EXISTING REAR ELEVATION 1/4"=1'-0"

TOP OF WALL AT LIVING AREA



EXISTING MAIN FLOOR 1/4"=1'-0"

NORTH

REFERENCE
FOR
14-03407-01

TO BE MICROFILMED

PATTERSON HILL DRAFTING & DESIGN (541) 914-7115

2014
JUNE 18

ADDITION
STRUCTURE
1274 LOCUST AVE
SUTHERLIN

EXISTING PLANS

1

POWELL BANZ VALUATION

C. SPENCER POWELL, MAI, AI-GRS
Phone: 503-371-2403
Fax: 503-371-2613
Email: spowell@powellbanz.com

Date of Review Report: January 26, 2017

APPRAISAL REVIEW

PROPERTY INFORMATION

Property Name:	Single Family Residence
Ownership Interest:	Fee Simple
Address:	1777 E 30th Avenue
City, State, Zip Code:	Eugene, Oregon 97405

APPRAISAL INFORMATION

Appraiser(s) Who Completed the Appraisal:	Brian B. Elliott and Richard J. Duncan, MAI, SRA
Date of Appraisal Reports:	3/12/2012; 3/12/2013; 1/1/2014; 3/12/2015
Ownership Interest Valued:	As Is, Fee Simple
Date of Appraisal Conclusions:	3/12/2012; 3/12/2013; 3/12/2014; 7/12/25/15 Duncan inspected 1/16/2016
Prepared For:	Glenn Klein, Eugene City Attorney

REVIEW INFORMATION

Review Client & Other Intended Users:	Glenn Klein, Eugene City Attorney and the Eugene City Council
Intended Use of the Review:	Reviewed for USPAP compliance
Purpose of the Review:	Compliance and Reasonableness
Subject of the Review:	A proposed single family residence to be built on a 27,878 SF lot.
Date of the Review:	January 26, 2017
PBV File Number:	P171121

REVIEW SYNOPSIS

Type of Value	Effective Dates	Appraiser's Conclusion	Reviewer's Conclusion
Fee Simple	3/12/12; 3/12/13; 3/12/14; 3/12/15	$470,000 $410,000	Reports are not Compliant or Reasonable

		YES	NO	
1.	Market conditions are adequately addressed:	X		
2.	Highest and Best use is reasonable:	X		
3.	Major property issues of concern:		X	
4.	Major valuation issues of concern:	X		See Comments
5.	Major extraordinary assumption:	x		See Comments

REVIEWER'S OPINIONS AND CONCLUSIONS ABOUT THE WORK UNDER REVIEW

REVIEWER'S SCOPE OF WORK

The reviewer's Scope of Work in this assignment is to:

1. Read the appraisal reports;
2. Conduct a "desk review" without visiting the subject of the appraisal under review.
3. Develop an opinion as to the credibility and reasonableness of the appraisals and value conclusions within the context of the appraiser's scope of work.
4. Deliver the appraisal review without contacting the appraisers who were engaged to complete the appraisal assignment under review.

CONTEXT OF THE REVIEW

USPAP Standard 3, Standards Rule 3-3 calls for in developing an appraisal review, a reviewer must apply the appraisal review method and techniques that are necessary for **credible assignment results.**

3-3(a) (i, ii, iii) indicate the reviewer must develop an opinion as to whether the analysis are appropriate within the contest of the requirement applicable to the work. Further, the reviewer must develop an opinion as to whether the opinions and conclusions are **credible** within the context of the requirement applicable to that work and develop the reasons for any disagreements.

"Consistent with the reviewer's scope of work, the reviewer is required to develop an opinion as to the completeness, accuracy, adequacy, relevance and reasonableness of the analysis in the work under review, given law, regulations, or intended user requirements applicable to the work under review." (USPAP Standard 3, page 32, line 979, 2016-2017 Edition).

The work under review is four single family residential appraisals of the same proposed single family residence to be constructed on a 27,878 SF lot in Eugene, Oregon. The stated Intended Use of all four reports was: "*To establish fee simple market value as of 03/12/2012 to assist the Client in a Measure 49 claim.*"

The owner of the property constructed a three car garage with a studio apartment above. It was the owner's intent to construct a primary residence on the property at a later date. During the application process to begin construction of the new primary residence the owner was informed the garage with the studio apartment above was identified as the primary residence because it exceeded the height allowed for a secondary dwelling. A second primary residence would not be allowed on the lot.

During the course of this review I could not find any reference to Measure 49 addressing this issue. The four appraisals were intended to show the loss in value as a result of not having the studio apartment. One value was of the hypothetical new residence including the studio apartment and one was without the studio apartment. Originally, two appraisals were prepared, one with and one without the apartment. Later, it was identified the dates of value were incorrect and a second pair were prepared. The four reports are the subject of this review.

On January 20, 2017 I was forwarded a copy of a memo from Alissa Hansen, Principal Planner for the Eugene Planning Division. She stated there were three ways the owner could construct his new primary residence.

1. The kitchen could be removed from the existing residence (garage) and therefore be considered detached accessory living space and a new primary dwelling could be built on the property.
2. The entire existing structure could be demolished and a new primary dwelling constructed.
3. The structure containing the upper level living structure could be lowered to the current height limit for a secondary dwelling and a new primary dwelling constructed.

The methodology employed by the appraisals under review was essentially measuring the loss of the apartment or living space constructed above the existing three car garage. Since any of the remedies outlined above would remove the secondary dwelling unit above the existing garage it is a reasonable approach to the issue.

In the first appraisal this loss was measured by analyzing three comparable sales of residences with 2nd legal dwellings. Two of these had second legal dwellings and the third has a second legal dwelling in its basement. The concluded value was $470,000.

The second set of appraisals valued the loss by selecting transactions without the second legal dwellings and concluded a value of $410,000.

The loss in value found by subtracting the two was $60,000.

COMPLETENESS

A report is considered complete when the reviewer has no lingering questions. When something necessary is missing in development or reporting the issue is completeness. This review item has two components:

1. **Comprehensiveness** – Nothing needs to be added to development and reporting.

   The appraisals are written in an abbreviated manner typical of form reports. The form is supplemented with several paragraphs of explanations although sources of adjustments are omitted. Both appraisals concluded a value of $470,000. The second appraisal (3/12/2013) uses the same three sales as the 2012 report and does not adjust them for market conditions (date of sale/time). A review of RMLS statistical data for the Greater Lane County reveals no change in values from 2011 to 2012. However, an increase from 2012 to 2013 changed +11.06%. The second appraisal isn't adjusted for this item even though the sales occurred in 2011 and the date of value is in 2013. This may suggest the 2013 concluded value is understated.

   The second appraisal supplements the data with three additional transactions. However, they likewise have not been adjusted for market conditions.

   The second set of appraisals valued the subject on 3/12/2014 and 3/12/2015. The concluded value was the same, $410,000. No adjustment is made for market conditions (date of sale/time). The values may be understated.

However, since the same lack of adjustment is present in both sets of appraisals the just compensation may be no different. This would require a detailed analysis of resales, paired sales or published indexes of transactional evidence.

2. **Thorough** – Developed and written carefully and in a methodically sound manner.

The appraisals are written in an abbreviated manner typical of form reports. Please see the comments under the preceding #1.

ACCURACY

Accuracy relates best to data.

The appraisal demonstrates accuracy in math throughout the report. Further the data selected relates to the scope of work of the appraisals under review.

ADEQUACY

This review item relates to adequacy in documentation, support, verification, information, data knowledge, research and analysis.

The appraisals provided support (**see USPAP Standards Rule 2-1(b) and 2-2(a & b**) for the concluded values. The quantity and quality of the data used in the report is adequate to value the report under review. Adjustments to the improved sales are applied qualitatively, but with limited support. No adjustment was applied for **Date of Sale/Time**.

RELEVANCE

Relevance relates to the value conclusion. Was the report linked to the value conclusions? Was the data applicable, useful and significantly connected to the final value conclusions?

The data used in the appraisal connects directly to the value opinion. The report is relevant and connected to the value conclusions given the context of the appraisal under review.

REASONABLENESS

Reasonableness addresses if the appraisal report exhibits common sense and is it realistic and credible? Is it balanced, sound, fair and suitable?

An appraisal should be balanced presenting both positive and negative attributes of the subject. These appraisals may have been the wrong form for the scope of work. The "before and after" value methodology could have been presented more understandably in a narrative format. The lack of Date of Sale/Time adjustments called into question the reasonableness of the final value conclusion.

CONCLUSION

The appraisal reports under review do not support the value conclusions and therefore are not compliant and reasonable.

USPAP & FIRREA COMPLIANCE CHECKLISTS

USPAP Appraisal Reporting Requirements:

		YES	NO	N/A
1.	**(2-1a)** Appraisal is misleading **See comments.**	X		
2.	**(2-1b)** Written report contains sufficient information to enable the intended user to understand the analysis, rationale, opinions, and conclusions: **Market Conditions/Time not addressed in enough depth with support.**		X	
3.	**(2-1c)** All assumptions and limiting conditions are clearly disclosed:	X		
4.	**(2-2a/b)** The proper report format is used and prominently stated: **See comments.**		X	
5.	**(2-2a/bi)** Client and intended users are identified:	X		
6.	**(2-2a/bii)** Intended use of the report is stated:	X		
7.	**(2-2a/biii)** Property is sufficiently identified (location & legal description)	X		
8.	**(2-2a/biii)** Physical and economic characteristics are described:	X		
9.	**(2-2a/biv)** Identifies real property interest appraised:	X		
10.	**(2-2a/bv)** Type and definition of value is stated (including definition source):	X		
11.	**(2-2a/bvi)** States effective date of appraisal and date of report:	X		
12.	**(2-2a/bvii)** Scope of Work used to develop the appraisal is adequately described:	X		
13.	**(2-2a/bviii)** Explains exclusion of any valuation approach:			X
14.	**(2-2a/bviii)** Information analyzed, methods and techniques employed, reasoning to support analysis, opinions, and conclusions are adequately described: **See comments.**		X	
15.	**(2-2a/bvix)** Use of property on the date of value is stated:	X		
16.	**(2-2a/bvix)** Use of the property as reflected in appraisal is stated:	X		
17.	**(2-2a/bix)** Support and rationale for the appraiser's highest & best use opinion is adequately described:	X		
18.	**(2-2a/bx)** Extraordinary assumptions and Hypothetical conditions are clearly disclosed, and whether their use has affected the results of the assignment:	X		
19.	**(2-2a/bxi)** Include signed certification consistent with 2-3:	X		
20.	Appraisal report format and content is appropriate and complete:		X	

Additional Comments: **See comments.**

APPRAISAL REVIEW – SINGLE FAMILY RESIDENCE (continued)

INTENDED USE & PURPOSE OF REVIEW

The use of this review is for internal decision-making. The purpose is to ensure regulatory compliance and to evaluate the adequacy of the appraisal reports, including their scope, methods, accuracy, and reasonableness. The reports have also been reviewed for conformity to USPAP.

SCOPE OF REVIEW

This is a desk review of four appraisal reports with the intent to develop and communicate an independent opinion or conclusion about the quality of another appraiser's work especially with regard to its quality, methodology, accuracy, completeness, relevance, appropriateness, reasonableness and value.

It is intended that the review process and the reporting of the review process satisfy the requirements of Standard 3 of *USPAP* relating the appraisal review function. The scope of this review includes:

1. Reviewing the original appraisal report in its entirety;
2. Analyzing the subject property characteristics;
3. Checking quality and appropriateness of the market data in the appraisal;
4. Checking for omitted data or techniques;
5. Checking reasonableness of analysis and conclusions;
6. Checking for conformity to *USPAP*, and *FIRREA* standards;
7. Checking for conformity with client bank standards;
8. Checking mathematics for accuracy;
9. C. Spencer Powell, MAI, AI-GRS **has not** inspected the subject property or comparables.

Additional Scope:

- None.

ASSUMPTIONS & LIMITING CONDITIONS OF REVIEW

1. This review is based on data and information contained within the appraisal reports under review. Additional information or sources may be cited if necessary.
2. Unless otherwise stated herein, the reviewer is using or accepts standard *USPAP* and *FIRREA* definitions, and/or those definitions identified within the appraisal reports.
3. It is assumed that the data and information contained in the appraisals under review are factual and accurate.
4. Unless otherwise stated, all of the assumptions and limiting conditions contained in the appraisal reports under review are also conditions of this review document.
5. The reviewer reserves the right to consider any additional information that may subsequently become available and to revise any opinions and conclusions if such data and information dictate the need for change.
6. The reviewer assumed no responsibility for any hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The review is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them.

APPRAISAL REVIEW – SINGLE FAMILY RESIDENCE (continued)

REVIEWER'S EXTRAORDINARY ASSUMPTIONS

1. The review assumes the subject descriptions within the appraisal report under review factually represent the correct quality and condition of the subject property as of the date of value. If found to be false, the conclusions herein will need to be revisited.
2. The review assumes the data reported was the best available within the market. If found to be false, the conclusions herein will need to be revisited.

REVIEWER'S HYPOTHETICAL CONDITIONS

None.

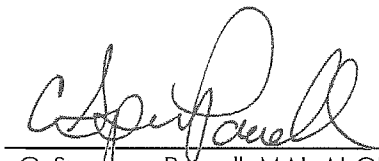
DEFINITIONS

1. The term "Desk Review" is defined as meaning the reviewer has not physically inspected the property that is the subject of this review.

CERTIFICATION OF APPRAISAL REVIEW

I certify that, lo the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this review report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I, C. Spencer Powell, MAI, AI-GRS, have not made a personal inspection of the subject of the work under review.
- No one provided significant appraisal or appraisal review assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, C. Spencer Powell, MAI, AI-GRS, have completed the continuing education program for Designated Members of the Appraisal Institute.



C. Spencer Powell, MAI, AI-GRS
OR Certified General Real Estate Appraiser
License No. C000154
Expiration Date: February 28, 2017

January 26, 2017
Date

APPRAISER QUALIFICATIONS

POWELL BANZ VALUATION, LLC © 2017

EXPERIENCE AND QUALIFICATIONS

POWELL BANZ VALUATION, LLC is a private consulting firm specializing in real estate valuation and consultation, serving the northwest since 1973. Ownership was transferred from Powell Valuation Inc in January 2014. The firm concentrates on complex commercial, industrial and multi-family valuation assignments for government, corporations and individuals. Work has been performed on a national scale. A sample of clients served is included below.

Financial:

AKT, LLP
AmericanWest Bank
Bank of America
Bank of the Pacific
Bank of the West
Banner Bank
Church Extension Plan
Citizens Bank
CitiGroup
CIT Small Business Lending
Continental Bank
Evangelical Christian Credit Union
First Bank
First Community Credit Union
First Federal, Coeur d'Alene
First Federal, Longview
First Federal, McMinnville
First Interstate Bank, N.A.
HomeStreet Bank
JPMorgan Chase Bank, NA
Norris, Beggs & Simpson
Northwest Community Credit Union
OnPoint Community Credit Union
Oregon Coast Bank
OSU Federal Credit Union
Pioneer Trust Bank, N.A.
Pacific Continental Bank
Regents Bank
Riverview Community Bank
Sierra Point Credit Union
Siuslaw Bank
Umpqua Bank
Ward Cook Inc.
Washington Federal Bank
Wells Fargo Bank
Western Bank
Willamette Community Bank
Willamette Valley Bank

Governmental:

Benton County
Bonneville Power Administration
City of Albany
City of Coos Bay
City of Corvallis
City of Eugene
City of Lincoln City
City of Salem
City of Silverton
City of Wilsonville
City of Woodburn
Dallas School District
Douglas County
FDIC
Federal Home Loan Bank
FSLIC
Klamath County
Lane County
Marion County
Military Dept. - State of Oregon
Mount Angel School District
Oregon Attorneys General
Oregon Dept. of Parks & Recreation
Oregon Dept. of Transportation
Oregon Division of State Lands
Oregon Dept. of General Services
Network Oregon Affordable Housing
Polk CDC
Port of Portland
Riverdale School District
Salem/Keizer School District
U.S. Army Corps of Engineers
U.S. Bureau of Land Management
U.S. Dept. of Interior
U.S. Marshall's Office
U.S. Forest Service
Washington Dept. of Fish & Wildlife
Woodburn School District
Yamhill County Housing Authority

Insurance/Medical:

Corvallis Clinic
Good Samaritan Hospital (Corvallis)
Harvard Medical
Killen Enterprises
MetLife Capital Insurance Company
Mid-Valley Healthcare
Mutual of Enumclaw
Oregon Mutual
Pacific Mutual
Performance Health Technology
SAIF
Salem Hospital
Samaritan Albany General Hospital
Samaritan Health Services
St. Paul Fire & Marine

General:

Arnold, Gallagher, PC
Catholic Community Service Foundation
Coppinger Farms
Elkins, Zipse & Mitchell
Feibleman & Case, PC
First American Title
George R. Suniga Enterprises
GHR Lawyers
Greyhound Lines Inc
Henderson, Franklin, Starnes & Holdt
Kelley & Kelley Attorneys
International Business Machines
Landerholm Legal Advisors
Martinis & Hill
McDonalds Corporation
MDH Management LLC
Meier & Wyse
Morrow Equipment
Mt. West Development Corp
Moyer Theaters (TMT)
Nonpareil, Inc.
Pacific Petroleum
Portland General Electric
Power Equipment Systems
Rick Franklin Corporation
River Network
Roth's Fresh Market
Saafeld Griggs PC
Schnitzer Investment
Sherman, Sherman, Johnnie & Hoyt
State Farm Insurance Co.
Stoel, Rives, L.L.P.
Sun America Investments
Texaco Lubricants
Valley Rolling Mills
Westfair Associates

EXPERIENCE AND QUALIFICATIONS

C. SPENCER POWELL, MAI, AI-GRS

C. Spencer Powell, MAI, AI-GRS owned and operated Powell Valuation Inc, a private real estate appraisal and consultation firm, from 1973 to 2013. Spencer sold the business to Katherine Powell Banz, MAI and Jonathan B. Banz, MAI in January 2014. He offers 45 years of valuation and appraisal related experience.

Spencer was employed as a staff appraiser for Hagood & Daniels, Inc., Fort Worth, Texas from 1971 through 1973. He has been an independent fee appraiser in Oregon since 1973. Spencer has qualified as an expert witness in Circuit Courts throughout Oregon as well as U.S. Bankruptcy Court and Federal Court. Spencer focuses on complex valuation and consultation assignments throughout the Northwest.

PROFESSIONAL AFFILIATIONS

Appraisal Institute, Designated MAI (No. 5518), 1976
National President, Appraisal Institute, 1996
Chair, AI Educational Trust, 1998-99
1983 Oregon Chapter President, Governing Council 1985-1987, (Appraisal Institute)
Member National Appraisal Review Committee (ARC) 1978-1980, (Appraisal Institute)
Regional Member Ethics Administration 1983-1987, (Appraisal Institute)
Vice Chairman National Ethics Administration Division 1988
Vice Chairman National Ethics and Counseling Committee 1989
National Chairman, Ethics & Counseling Committee, 1993
Northwest Regional Vice President, 1990, (Appraisal Institute)
1974-75 Salem Chapter President, Society of Real Estate Appraisers
District Vice-Governor, Society of Real Estate Appraisers, 1978
Licensed Oregon Real Estate Broker
State of Oregon - Certified General Appraiser (No. C000154)
State of Washington – Certified General Appraiser (No. 1100469)

COMMUNITY

Founder, Member of the Board, Bank of Salem, 1994-07
Board Member - American Home Savings and Loan Association, 1987-1989
Board Member - Downtown Development Board, 1990-1993
Board Member, Vice President, Building Committee Chairman - United Methodist Retirement Center 1980-1987
Board Member, Past President - Salem Economic Development Corporation 1981-1985
Board Member - Salem Area Chamber of Commerce 1978-1981
Board Member - Friends of Deepwood 1975-1977

EDUCATION

Oregon State University-Corvallis, Oregon
University of Oregon-Eugene, Oregon, Real Estate and Urban Studies
Bachelor of Business Administration

EXPERT WITNESS TESTIMONY

APPRAISER CERTIFICATION

Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required for renewal

C Spencer Powell
Powell Banz Valuation LLC
201 Ferry ST SE STE 300
Salem, OR 97301

License No.: **C000154**
Issue Date: **March 13, 2015**
Expiration Date: **February 28, 2017**

Gae Lynne Cooper, Administrator

2016-2017 EDITION

Attachment C

2016-2017

UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

Effective January 1, 2016 through December 31, 2017

PLUS

Guidance from the Appraisal Standards Board
+ USPAP ADVISORY OPINIONS
+ USPAP FREQUENTLY ASKED QUESTIONS (FAQ)

APPRAISAL STANDARDS BOARD

THE APPRAISAL FOUNDATION

Authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications

STANDARD 2: REAL PROPERTY APPRAISAL, REPORTING

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Comment: STANDARD 2 addresses the content and level of information required in a report that communicates the results of a real property appraisal.

STANDARD 2 does not dictate the form, format, or style of real property appraisal reports. The form, format, and style of a report are functions of the needs of intended users and appraisers. The substantive content of a report determines its compliance.

Standards Rule 2-1

Each written or oral real property appraisal report must:

(a) clearly and accurately set forth the appraisal in a manner that will not be misleading;

(b) contain sufficient information to enable the intended users of the appraisal to understand the report properly; and

(c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

Standards Rule 2-2

Each written real property appraisal report must be prepared under one of the following options and prominently state which option is used: Appraisal Report or Restricted Appraisal Report.[28]

Comment: When the intended users include parties other than the client, an Appraisal Report must be provided. When the intended users do not include parties other than the client, a Restricted Appraisal Report may be provided.

The essential difference between these two options is in the content and level of information provided. The appropriate reporting option and the level of information necessary in the report are dependent on the intended use and the intended users.

An appraiser must use care when characterizing the type of report and level of information communicated upon completion of an assignment. An appraiser may use any other label in addition to, but not in place of, the label set forth in this Standard for the type of report provided.

The report content and level of information requirements set forth in this Standard are minimums for each type of report. An appraiser must supplement a report form, when necessary, to ensure that any intended user of the appraisal is not misled and that the report complies with the applicable content requirements set forth in this Standards Rule.

A party receiving a copy of an Appraisal Report or Restricted Appraisal Report in order to satisfy disclosure requirements does not become an intended user of the appraisal unless the appraiser identifies such party as an intended user as part of the assignment.

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[28] See Advisory Opinion 11, *Content of the Appraisal Report Options of Standards Rules 2-2, 8-2,* and *10-2* and Advisory Opinion 12, *Use of the Appraisal Report Options of Standards Rules 2-2, 8-2, and 10-2.*

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(a) **The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:**

(i) **state the identity of the client, unless the client has specifically requested otherwise; state the identity of any intended users by name or type;**[29]

Comment: An appraiser must use care when identifying the client to avoid violations of the Confidentiality section of the ETHICS RULE. If a client requests that the client's identity be withheld from the report, the appraiser may comply with this request. • In these instances, the appraiser must document the identity of the client in the workfile and must state in the report that the identity of the client has been withheld at the client's request.

Types of intended users of the report might include parties such as lenders, employees of government agencies, partners of a client, and a client's attorney and accountant.

(ii) **state the intended use of the appraisal;**[30]

(iii) **summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;**[31]

Comment: The real estate involved in the appraisal can be specified, for example, by a legal description, address, map reference, copy of a survey or map, property sketch, and/or photographs or the like. The summarized information can include a property sketch and photographs in addition to written comments about the legal, physical, and economic attributes of the real estate relevant to the type and definition of value and intended use of the appraisal.

(iv) **state the real property interest appraised;**

Comment: The statement of the real property rights being appraised must be substantiated, as needed, by copies or summaries of title descriptions or other documents that set forth any known encumbrances.

(v) **state the type and definition of value and cite the source of the definition;**

Comment: Stating the definition of value also requires any comments needed to clearly indicate to the intended users how the definition is being applied.

When reporting an opinion of market value, state whether the opinion of value is:

- in terms of cash or of financing terms equivalent to cash, or
- based on non-market financing or financing with unusual conditions or incentives.

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[29] See Advisory Opinion 36, *Identification and Disclosure of Client, Intended Use, and Intended Users*, and Advisory Opinion 25, *Clarification of the Client in a Federally Related Transaction*.

[30] See Advisory Opinion 36, *Identification and Disclosure of Client, Intended Use, and Intended Users*.

[31] See Advisory Opinion 2, *Inspection of Subject Property*, and Advisory Opinion 23, *Identifying the Relevant Characteristics of the Subject Property of a Real Property Appraisal Assignment*.

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When an opinion of market value is not in terms of cash or based on financing terms equivalent to cash, summarize the terms of such financing and explain their contributions to or negative influence on value.

When an opinion of reasonable exposure time has been developed in compliance with Standards Rule 1-2(c), the opinion must be stated in the report.[32]

(vi) **state the effective date of the appraisal and the date of the report;**[33]

Comment: The effective date of the appraisal establishes the context for the value opinion, while the date of the report indicates whether the perspective of the appraiser on the market and property as of the effective date of the appraisal was prospective, current, or retrospective.

(vii) **summarize the scope of work used to develop the appraisal;**[34]

Comment: Because intended users' reliance on an appraisal may be affected by the scope of work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

When any portion of the work involves significant real property appraisal assistance, the appraiser must summarize the extent of that assistance. The name(s) of those providing the significant real property appraisal assistance must be stated in the certification, in accordance with Standards Rule 2-3.[35]

(viii) **summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;**

Comment: An Appraisal Report must include sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1. The amount of detail required will vary with the significance of the information to the appraisal.

The appraiser must provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions, including reconciliation of the data and approaches, in accordance with Standards Rule 1-6.

When reporting an opinion of market value, a summary of the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5 is required.[36] If such information is unobtainable, a statement on the efforts undertaken by the appraiser to obtain the information is required. If such information is irrelevant, a statement acknowledging the existence of the information and citing its lack of relevance is required.

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[32] See Advisory Opinion 7, *Marketing Time Opinions*, Advisory Opinion 22, *Scope of Work in Market Value Appraisal Assignments, Real Property*, and Advisory Opinion 36, *Reasonable Exposure Time in Real and Personal Property Opinions of Value*.

[33] See Advisory Opinion 34, *Retrospective and Prospective Value Opinions*.

[34] See Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure*, and Advisory Opinion 29, *An Acceptable Scope of Work*.

[35] See Advisory Opinion 31, *Assignments Involving More than One Appraiser*.

[36] See Advisory Opinion 1, *Sales History*.

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June 12, 2017

Alissa Hansen, Senior Planner
Eugene Permit Center
Atrium Building
99 West 10th Ave.
Eugene, OR 97401

Re: Measure 49 Claim; Chad and Katie Wilson; 1777 E. 30th Ave., Eugene 97405
Applicants' Final Submittal

Dear Alissa:

This is the applicant's final submission.

It seems that the key factual issue in this matter is the size of the dwelling unit that was constructed before the city changed the law.

The Staff Report dated June 5, 2017, finds that "the total building square footage for the dwelling is approximately 712.25 square feet" as the City measures. This is what the plans proposed; this what the City approved for construction; this is what the City approved for occupancy.

The applicants request approval of the requested waiver or reimbursement of the diminished value, based on the appraisal as filed by the applicant.

Sincerely,

Bill Kloos

Bill Kloos

Cc: Chad and Katie Wilson

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: New Housing Developments Where Unimproved Roads Are the Main Access

Meeting Date: June 21, 2017 | Agenda Item Number: B
Department: Public Works Engineering | Staff Contact: Mark Schoening
www.eugene-or.gov | Contact Telephone Number: 541-682-5243

ISSUE STATEMENT

This work session is in response to a work session poll requested by Councilor Clark regarding – "New housing development that relies entirely on unimproved roads as access point." Specifically, the following issues were raised in the work session poll –

- Potential policy changes that consider developer, resident, and City responsibility for bringing unimproved roads to City standards.
- Implications of outward growth decisions as they affect unimproved roads.
- Development of a comprehensive plan for unimproved streets (including County roads as they are brought into the city through annexation).
- The idea of policy changes toward County road annexations without a plan for their improvement to City standards.

BACKGROUND

Improved streets are those streets which have been fully designed for structural adequacy, have storm drainage facilities provided which include curbs and gutters, and have either an asphalt concrete (AC) or a Portland cement concrete (PCC) surface. Typically, these streets were either fully improved when the area was developed and paid for by the developer, or were improved through a local improvement district (LID) and paid for in part by the benefitting property owners. In some cases a street may have been fully improved while under state or county jurisdiction and then surrendered to the City.

Unimproved streets are those streets with soil, gravel, or asphalt mat surfaces that have typically evolved to their existing state, have not been structurally designed, and have few if any, drainage facilities and no curbs or gutters.

There are 490 miles of improved streets and 52 miles of unimproved streets within the City of Eugene.

The estimated cost to improve the unimproved streets to meet the urban street standards is approximately $60 million. There are approximately an additional 68 miles of improved streets and 47 miles of unimproved streets within the City's urban growth boundary, but currently outside the city limits.

Potential policy changes that consider developer, resident, and City responsibility for bringing unimproved roads to City standards. –

Unimproved streets within the City of Eugene are improved either through new development projects or through assessment projects (local improvement districts).

Chapter 9 – Land Use of the Eugene Code requires the following of new development subject to a land use decision –

> *The developer shall grade and pave all streets and alleys in the development site. All paving shall be to the width specified in EC 9.6870 Street Width and provide for drainage of all such streets and alleys, and construct curbs and gutters, sidewalks, street trees and street lights within the development site according to the Design Standards and Guidelines for Eugene Streets, Sidewalks, Bikeways and Accessways and standards and specifications adopted pursuant to Chapter 7 of this code and other adopted plans and policies.*
>
> *The developer shall pave streets and alleys adjacent to the development site to the width specified in EC 9.6870 Street Width, unless such streets and alleys are already paved to that width, provided the City makes findings to demonstrate consistency with constitutional requirements. All paving shall provide for drainage of all such streets and alleys, and construct curbs and gutters, sidewalks, street trees and street lights adjacent to the development site according to the Design Standards and Guidelines for Eugene Streets, Sidewalks, Bikeways and Accessways and standards and specifications adopted pursuant to Chapter 7 of this code and other adopted plans and policies*.

For streets adjacent to new development it is not always practical to construct street improvements. In such cases the City requires developers to pay an equivalent assessment for future street improvements for adjacent streets functionally classified as arterials or collectors. For all functional classifications developers are required to sign a petition for future street improvements (irrevocable petition) and for the assessment of the real property benefitted by the improvements.

Since 2002 the City has collected over $968,000 in equivalent assessments on 18 different arterial and collector streets. Only one of the eighteen streets, Elmira Road has been improved through a local improvement district with partial funding through previously collected equivalent assessments.

The existing policy for improving unimproved streets not associated with new development is to create a local improvement district (LID) for the design and construction of street improvements and to assess the benefitting properties for the cost of the improvements. LIDs may be initiated by the City Council typically through the adoption of the capital budget or by a petition poll signed by the owners of properties that will incur more than 50 percent of the assessable cost of the improvement.

The City Council last updated the assessment code in Chapter 7 – Public Improvements in 2010. The changes in the code were the result of the work of a Council Subcommittee on Street Assessment Policy formed in late 2009 with the following charge –

> *Review the existing Eugene Code on assessments and the inequities in the Code identified by the City Council and develop recommended changes in the Code for the consideration of the City Council.*

Implications of outward growth decisions as they affect unimproved roads. –

Increased development reliant on unimproved roads increases the demand on the unimproved roads for all modes of travel. In addition, because unimproved roads are not structurally engineered the increased traffic from new development leads to more rapid deterioration of the pavement surface. Finally, because unimproved roads do not provide facilities for all modes of travel the risk to public safety on unimproved roads increases with new development.

Development of a comprehensive plan for unimproved streets (including County roads as they are brought into the city through annexation). –

Both the City and County have a long history of funding the improvement of unimproved streets through local improvement districts and assessments to benefitting properties. Often times the properties benefitting from the streets to be improved include a mix of incorporated and unincorporated properties. When an LID is initiated by the County, the City Council must approve the assessment of incorporated properties. When an LID is initiated by the City, the County Board of Supervisors must approve the assessment of unincorporated properties. An LID for the improvement of River Avenue was formed in 2005 by the City and included both incorporated and unincorporated properties. The County Board of Supervisors approved the assessment of unincorporated properties by the City for this project

The most recent examples of City initiated local improvement districts were formed in 2009 to improve Chad Drive; Maple Street and Elmira Road; and Crest Drive, Storey Boulevard, and Friendly Street.

Unimproved arterial and collector street improvement projects are identified in the Transportation System Plan (TSP). The TSP identifies projects that are anticipated to be constructed over the next 20 years. The Six-Year Capital Improvement Program (CIP) prioritizes and programs projects for construction for the upcoming six-year time frame. The first two years of the Six-Year CIP are incorporated into the annual capital budget for two successive years. The funding sources for arterial and collector street improvement projects include assessments to benefitting properties and transportation systems development charges for the City's portion of the project costs. A similar process could be established for streets functionally classified as local streets. However, a funding source would need to be identified for the City's share of the project costs. The General Fund was the source of funding the City's share of the project cost for the Crest Drive/Storey Boulevard/Friendly Street local improvement district.

The process for initiating and forming a local improvement district for street improvements and levying assessments is prescribed in the Eugene Code. The decisions to initiate a local improvement district, form a local improvement district and levy assessments are made by the City Council and preceded by public hearings.

Since fiscal year 2009, $2,650,000 has been appropriated to provide temporary maintenance overlays for a number of unimproved streets throughout the city in anticipation of completing the permanent street improvements via the local improvement district process. Beginning in fiscal year 2012 through the current fiscal year $200,000 has been appropriated annually from the Road Fund for this program. The process of upgrading unimproved streets has stalled in recent years, however, as the Council has been reluctant to ask property owners who object to bear their proportionate share of the cost.

<u>The idea of policy changes toward County road annexations without a plan for their improvement to City standards.</u> –
There are two types of county roads defined in the Oregon Revised Statutes - County Road and Local Access Road. Each type of road has a separate process for transferring jurisdiction from the County to the City. The definition of each type of county road follows:

> *County Road* - means a public road under the jurisdiction of a county that has been designated as a county road under ORS 368.016.
>
> *Local Access Road* - means a public road that is not a county road, state highway or federal road.

A County Road inside the City may be transferred to the City by mutual agreement. Either the County or the City may initiate the transfer of jurisdiction. Once the transfer has been initiated, the County must provide public notice and an opportunity for a public hearing before the final order by the County governing body surrendering jurisdiction. The transfer is not complete until it is formally accepted by the City. On completion of the transfer, County jurisdiction ceases, and the City assumes the same responsibility over the former county road as it has for any other city streets.

The jurisdiction of a Local Access Road changes from the County to the City upon annexation.

Annexations of real property and streets (public right of way) are made by the City Council on a case-by-case basis. Streets are typically annexed with real property when it is necessary to attain contiguity of the real property with the existing city limits or to assure for the ability to provide public infrastructure.

There is not a formal agreement in place between the City and County regarding the jurisdictional transfer of County Roads. Each County Road is considered on a case-by-case basis. One example of an upcoming request for jurisdictional transfer are two short sections of River Road between Rosewood Avenue and Maynard Avenue and between Merry Lane and Horn Lane. These sections of roadway are fully improved and recently received pavement overlays. These are the last two sections of River Road under County jurisdiction south of Beltline. In addition, at the City's

request the State lowered the speed on River Road to 35 miles per hour for the entire section south of Beltline. To assure clarity and consistency in traffic enforcement the City will pursue the jurisdictional transfer of these two sections of River Road.

RELATED CITY POLICIES
Municipal Charter – Chapter IX – Public Improvements, Section 37. Procedure., Section 38. Assessments., Section 39. Amendments., and Section 40. Liens.

Eugene Code Chapter 7 – Public Improvements – Local Improvements 7.085 – 7.270

Eugene Code -Chapter 9 – Land Use – Public Improvement Standards 9.6500 – 9.6510 and Standards for Streets, Alleys, and Other Public Ways 9.6800 – 9.6875

COUNCIL OPTIONS
This is an informational work session, no action is required at this time.

CITY MANAGER'S RECOMMENDATION
No action is required on this item.

SUGGESTED MOTION
No action is required on this item.

ATTACHMENTS
None.

FOR MORE INFORMATION
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