

NEWS RELEASE
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4J, YMCA Reach Tentative Agreement on Property Purchase

School board to vote next week on approval of \$2.85 million deal

The new Roosevelt Middle School set to open in 2016 could have YMCA recreational facilities next door, if the Eugene School Board approves a tentative agreement on the sale of the property. The board is expected to vote on approval of the agreement at its next meeting on Wednesday, December 17.

“We value our district’s longstanding partnership with the Y, and we look forward to deepening that relationship as close and mutually beneficial neighbors, if the board approves a purchase agreement,” said 4J Superintendent Sheldon Berman. “The Roosevelt site offers a win-win opportunity for 4J to provide an ideal site for the Y’s relocation, and for the Y to provide ongoing benefits to our students and our community for many years to come.”

After several months of discussion and negotiation, Eugene School District 4J and the Eugene Family YMCA have reached a tentative agreement, subject to approval by the school board, for the Y to have an option to purchase for **\$2.85 million** about **5.22 acres** of land near the intersection of 24th Avenue and Hilyard Street, consistent with the recently appraised value of the property.

“After more than a decade of efforts, the Eugene Family YMCA is excited to be at the doorstep of securing a piece of land for a new Y facility in the south Eugene area. We look forward to the opportunity to provide our diverse community with a new home to build healthy spirits, minds and bodies,” said Y Executive Director Dave Perez. “The Y views this tentative agreement as much more than a land sale. It is an extension of a long partnership between the Y and Eugene School District 4J to cooperatively invest in the future of our community’s children.”

The property under discussion is not yet vacant; it’s where Roosevelt Middle School now stands. Roosevelt’s aging building is about to be replaced, using voter-approved bond funds. The new school will be built to the west of the old school. Once students move into the new school in 2016, the old building will be demolished and the property could be sold to the Y to construct new recreation facilities.

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DETAILS AND BACKGROUND:

Purchase price: As good stewards of the taxpayers' land assets, the school board and the district carefully consider any decision whether to transfer property out of district ownership. That includes considering compatibility with the district's mission, the property's market value and the amount of revenue the district would realize to provide facilities and services for students, and other non-economic benefits and costs of any proposal.

This fall the board sought a summary appraisal from an independent third-party appraiser to provide accurate and impartial information about the value of the property. The appraisal, completed last month, determined the value of 5.22 acres to be \$3 million if it were rezoned for medium-density residential (R-2) use, or \$3.65 million if it were rezoned for general office (GO) use.

The tentative agreement on a purchase price of \$2.85 million reflects the recent appraised value of \$3 million under the most likely zoning of R-2, if a re-zoning of the property were to be implemented, offset by certain costs that the appraisal did not take into account:

- Projected costs for such a rezoning (deducting \$50,000)
- Projected costs for public stormwater improvements (deducting \$160,000)
- Projected costs for 4J to construct shared access to 24th Avenue and driveway (adding \$60,000, 60% of the projected cost of \$100,000, anticipating a weighted use of 40% 4J and 60% Y)
- $\$3,000,000 - \$50,000 - \$160,000 + \$60,000 = \$2,850,000$

Terms: The terms of the tentative agreement include:

- The Y would have an **option to purchase** the property, about **5.22 acres**, for **\$2.85 million**.
- The option would be exercised **within 24 months**, or within 6 months from the time the land is partitioned to create a separate sellable tax lot, whichever is later.
- A **\$1.5 million down payment** would be required to exercise the option.
- The remaining \$1.35 million balance would be allowed to be **deferred until the existing Y parcel is sold**, or up to 11 years, whichever is earlier.
- A **deed restriction** would restrict future use of the property to uses compatible with the district's educational mission and the middle school next door.
- The district would retain a **first right of refusal** to buy the property back from the Y if it were sold at any future date.

Next steps: The school board will vote on approval of the terms of the tentative agreement during the regular board meeting on Wednesday, December 17. The meeting begins at 7 p.m. at the 4J Education Center Auditorium, 200 N. Monroe St., Eugene. It also will be broadcast live on KRVM 1280-AM. There is a period for public comment at the beginning of each board meeting.

The board may approve the agreement, choose to seek different conditions for the sale of the property to the Y, or defer a decision until a later date. The board cannot consider the sale of the property to any other potential buyer without first following the land use decision-making process outlined in board policy, as it did regarding the potential sale of the property to the Y.

If the agreement is approved, staff and the district's real property consultant will negotiate the final details with the Y and prepare documents for the property transfer for board review and approval.