

City Council Action Item Cover Sheet

DATE: August 1, 2018

Agenda Item:

Riggs Property

Question Before Council:

Discussion of potential options for Riggs Property

Person/Group Initiating Request:

City Council

Item Summary/Background:

At the last Council meeting, Council heard citizen input regarding the current status & possible actions for the Riggs property. Council wished to discuss the possible options at the August 1 Work Session. The presentation, outlining the options, is located in the Council packet.

Riggs Property

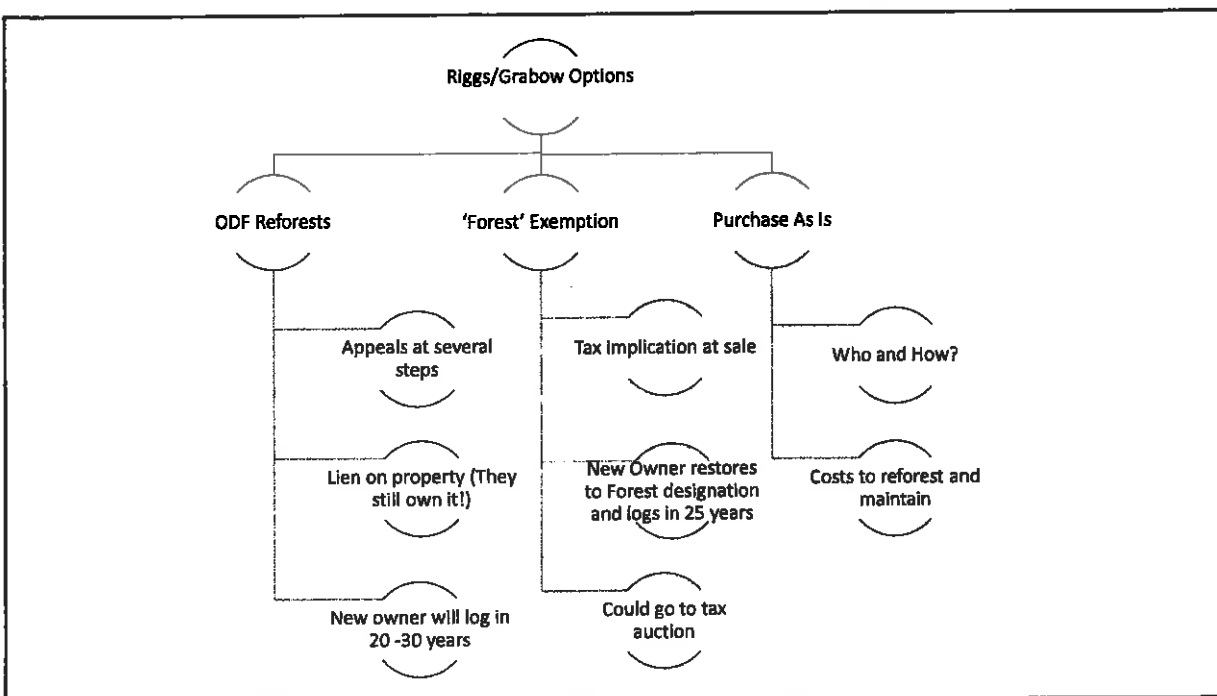
Current Status and Possible Actions

Status

- **Approx. 150 of 300 Acres Logged**
 - 180 Acres (23%) of Yachats Watershed = Private Industrial Forest
 - Not all logging was in watershed – exact acres requires more study
 - South of Salmon Creek not logged
- **Two Tax Lots: Riggs and Grabow (LLCs)**
 - Taxes Are Current for 2017
 - Unlogged portions still classified as 'Forest'
 - 120 acres are no longer 'Forest'
- **ODF Has Completed the Civil Penalty Phase**
 - Owners have **not** responded to any correspondence
 - Next steps from ODF pending (but limited)

Bio Status

- Land is restoring “naturally”
 - Non-selective ground cover emerging: invasives, overly-dense trees, randomly spaced trees, etc.
 - Obviously, critical habitat lost
- ODF feels fire threat is minimal
 - Limited bio-mass to ignite living trees and suppressible if ignites
 - Nearest land owner strongly disagrees
- Loggers met ODF best practices re. riparian set-backs
- Cost to Yachats water plant in first year: increased sedimentation
 - Concerned with “pesticides” following reforestation



ODF Reforests

- Owner can appeal ODF reforestation at a few steps
 - Request delay or plead financial hardship
 - Contest estimated costs
- Reforestation costs are a lien on the property
 - No apparent downside to owner – ODF took on reforest headache
 - Lien = cost which would have been incurred regardless
- New owner will pay lien as part of purchase and could relog
 - Current cycles are 20 – 30 years

Removed Forest Designation

- Under Oregon rule, 'Forest' land taxed at typically 20% of value
 - Deferred property taxes offset by timber sale taxes
 - Any acreage removed from 'Forest' classification is taxed at full-value back five yrs.
 - County Assessor has removed approx. 150 acres from 'Forest'
- Back taxes must be paid as part of a sale (Est. \$20,000)
 - New owner can convert back to forest and appeal back taxes
- Unpaid Civil Penalties are referred to County Attorney
 - Could be prosecuted. IMHO unlikely
 - Lien on property, paid as part of a sale: \$42,000 total – all years, both properties
 - Can be waived by ODF if reforested
- Owner could simply walk away
 - Land qualifies for auction after approx. 5 years.
 - Unlikely as taxes and penalties are not unreasonable

Purchase As Is

- Current County Market Price: \$400K, Assessed Value is \$127K (approx.)
 - Both parcels together: per current online assessor report
 - Requires more research – does not reflect 'Forest' removal
 - Owner has been bad actor and will undoubtedly ask much more
 - Note: One parcel effectively "landlocks" the other
- Consider buying through agent with low-ball offer
 - Sue the owner to incentivize (water plant costs, non-compliance, fire risk)
- Ongoing costs
 - Reforestation: includes assessment, seedlings, pesticides, labor
 - Insurance: Oregon fire fund, liability
 - Selective thinning (There is NO obligation to log!)
- Place in Conservation Easement or make Yachats city property to avoid property taxes



Note:
Boundaries and
Salmon Creek
approximate