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PRESS RELEASE

FOR IMMEDIATE RELEASE

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Council to Initiate Eminent Domain Proceedings to Move Forward with Water Treatment Plant

GRANTS PASS – The Grants Pass City Council voted to file a lawsuit for condemnation to move forward with construction of a new water treatment plant on 9.97 acres located near the intersection of SE “J” St. and SE Mill St., after the council was informed that current negotiations for the property have come to a standstill. The city has offered to purchase the property for \$2,606,000, which is the appraised value of the portion of the property that the city seeks to acquire.

The need for the new plant was established in 2014 after a citizen advisory committee conducted a two-year evaluation of the aging condition of the existing plant and determined repairs to the plant were no longer an option. Built in 1931, the existing plant on “M” Street is quickly degrading after nearly 80 years of continual use.

During the evaluation process the committee studied five total alternatives, using a triple bottom line analysis, including the cost to the community, benefit to the community, and potential environmental benefits of each option. Ultimately the decision to build a new plant on a new site sparked a search of viable locations to begin construction.

In the end, the site at 695 SE “J” St. was determined to best suit the location criteria, while also representing the best economical option with regards to proximity to the existing water intake, required footprint of the new plant, and plans for future expansion to keep up with impending growth.

Today, the city provides an average of 5.5 million gallons of water per day to more than 12,000 connections serving more than 35,000 people. That translates to roughly 3,500 gallons per minute 24 hours per day, seven days per week to meet average demand. Seismic or operational failure of the existing plant would leave the city left to function with only 2-3 days of stored water.

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In December 2016, the city council directed city staff to initiate negotiations with the property owners at 695 SE "J" St. to purchase the property. Appraisers were hired and the property owners granted access to the property for consideration, but a proposed purchase agreement for a portion of the property was rejected, and negotiations continued.

As a result of those ongoing negotiations, city staff then made further recommendations to adjust the amount of land to be purchased from the property owners to include the entire 16.94-acre parcel in order to move the sale forward. That offer was then also rejected.

After more than two years of back-and-forth discussions, councilors ultimately adopted a resolution declaring a public need for the property March 20, 2019.

As negotiations continued, city staff made further recommendations to reduce the amount of land required from the property owners to complete the project, while still allowing the property owners to maintain their current business operations, and a new resolution declaring need for only 9.97 acres of the east side of the property was adopted Jan. 15, 2020.

During this process, cost estimates for completing the new water plant have continued to increase due to inflation, consumer price indexing, and the costs of materials. Projected costs established in 2015 of just under \$50 million have compounded at a rate of roughly five percent per year to more than \$80 million.

On March 2, council authorized and directed staff to file a lawsuit for condemnation of the property on March 23, when the most recent 40-day offer period matures. Additionally, the council authorized and directed that a contemporaneous motion for early possession also be filed, with an expected possession date of June 30.

Proceedings to acquire property under eminent domain are referred to as "condemnation" proceedings. The process is the exercise of the power of government to acquire private property necessary for public use on the payment of just compensation and following due process of law. Eminent domain authority is one of the strongest powers given to government, and it is government's responsibility to use it with extreme care and caution.

Fairness to the property owner is a key part to the utilization of eminent domain. Commitment to the retention of the business at the property to continue operations remains a key part of the planning process.

The council also agreed that city representatives will be available for continued negotiations, including willingness to enter mediation with the property owners in an effort to resolve this matter without the expense of litigation.

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