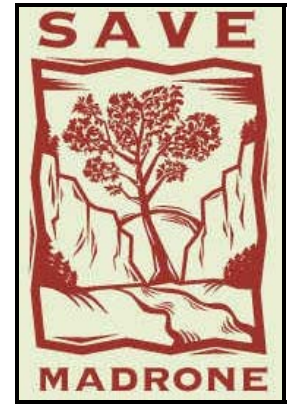


Madrone Wall Preservation Committee
5815 N.E. 31st Avenue
Portland, Oregon 97211
www.savemadrone.org
5 August 2005



Commissioner Martha Schrader, Chairperson
Clackamas County Board of Commissioners
2051 Kaen Road
Clackamas, Oregon 97015

Re: Independent Professional Review of County-Commissioned Hardscrabble Appraisal

Dear Commissioner Schrader:

The 15 March 2005 Commissioner's Hardscrabble Study Session directed the County's Department of Transportation and Development to commission a property appraisal of the County's 43.99 acre Hardscrabble site located along County Scenic Road Highway 224 between Carver and Barton. Our non profit organization offered to provide a parity check on the County-commissioned appraisal and you indicated that you would like an independent review. We are offering back to the County an independent professional review we funded as a means of supporting the evaluation process currently underway considering the future use of the Hardscrabble/Madrone Wall.

We appreciate Dan Zinzer's office providing us with a copy of the Hanna, McEldowney & Associates appraisal (HMA File #: 05-11-01, 20 May 2005) that formed the basis for the independent review. Contacts at Metro Regional Parks and Greenspaces Department offered us an independent professional appraiser contact and Oregon Certified Appraiser Craig Zell, MAI, SRA, of Zell & Associates, was selected to provide a review. A copy of the Zell appraisal review (Zell File # 05-141) is attached.

The Hanna appraisal reported a value of \$770,000 to \$2,214,000 and the Zell review confirmed the low end of value.

The Hanna appraisal indicated that the high end of the appraised value incorporates a quarry value component for which "there is no assurance that a conditional use permit would be granted for quarry use of subject, or that such use, if granted, would permit a sufficient volume of rock extraction to make the process economically feasible." This appraisal estimated the rock value to be \$1,680,000 to \$1,800,000 although "it may be unrealistic to expect an offer for subject that would include any significant value component for the rock" given the anticipated "cost to permit will run from \$500,000 to \$1,500,000 and (would) take three to five years." This appraisal indicated that "there is almost no possibility that the subject could be rezoned for residential use in its current position outside the UGB" and that "without a change in zoning and availability of public utilities, subject has no real residential potential beyond the limited single dwelling residential use allowed in the Timber District." As this site is currently being contemplated in the Damascus/Boring Concept Plans for a potential eastside "Big Park", it is of interest that one appraisal's comments indicated "the subject offers the possibility of providing a close in, major rock climbing facility to the general public, along with other typical park amenities."

The Zell report offered that the Hanna appraisal met "the tests of completeness, although marginal(ly)." A certified timber cruise was not completed or referenced in the Hanna appraisal and "thus, the current value of timber may be in question." The Zell report indicated that only two of the five land sales identified for comparison purposes in the Hanna appraisal appear to be relevant. Three properties appeared to lack apparent adequacy and relevance and included one sale that lacked appropriate speculative value for inclusion in the UGB, one sale that was significantly outside the boundary that would render the property comparable for potential buyers, and one sale of two homesites approved for residential that appeared to not be comparable to the subject. The sales comparison approach, while appropriate to value the subject, "appeared to be only marginally sufficient to render a conclusion as to the Highest and Best Use of the property and final value." The Zell report indicated that "the mining operation appears to be infeasible due to the high cost of permitting, extraction and storage and therefore should not be considered as part of the value of the property."

Thank you for this opportunity to provide input for the evaluation the future use of the Hardscrabble/Madrone Wall.

Sincerely,

Keith K. Daellenbach

Keith K. Daellenbach (kdaellenbach@att.net, 503/691-4102)
Secretary/Treasurer, Director

encl.: Zell & Associates Review of Appraisal (File No. 05-141, 25 July 2005)

cc:

- Commissioner Bill Kennemer, Vice Chairperson
- Commissioner Larry Sowa

- George Allen, Vice Chair, Rock Creek CPO
- Dean Apostol, Director, Damascus for Open Space
- Don Arbuckle, Chair, Grant Park CPO
- Todd Blossom, Head Land Steward, Still Meadow Community, Carver
- Virginia Bowers, Conservation Program Director, Three Rivers Land Conservancy
- Phyllis Brinkley, Chair, Eagle Creek-Barton CPO
- Clackamas County Parks Advisory Board c/o Parks Department
- Wendy Carlton, President, Mazamas
- Jayne Cronlund, Executive Director, Three Rivers Land Conservancy
- Jim Desmond, Director, Metro Regional Parks and Greenspaces Department
- William Eadie, Real Estate Negotiator, Metro Regional Parks and Greenspaces Department
- Mike Ferrell, Citizen, Clackamas County
- Cam Gilmour, Director, Department of Transportation & Development, Clackamas County
- Fiona Gwozdz, Clackamas County Intern, Madrone Wall/Hardscrabble Project
- Roger Hanna, Certified Appraiser, Hanna, McEldowney & Associates
- Joe Hargrave, Vice President, Oregon, Federation of Western Outdoor Clubs
- Karen Harte, Manager, Still Meadow Community, Carver
- John Hartsock, Mayor Pro Tem, Damascus
- Phyllis Kirk, Secretary, Friends of Mount Hood, Oregon City
- Barb Ledbury, Councilor, Damascus
- Jon Mantay, County Administrator
- Ivan Maluski, Statewide Grassroots Organizer, Sierra Club - Oregon Chapter
- Earlean Marsh, President, Friends of Barton Park & the Scenic Clackamas River
- Bob McGown, Oregon Section Chair, The American Alpine Club
- Mike McLees, Supervisor, County Parks and Forest, Clackamas County
- Jim Morgan, Program Supervisor, Metro Regional Parks and Greenspaces Department
- Rhonda Nelson, President, Ptarmigans
- Gretchen O'Brien, Citizen, Clackamas County
- Les Otto, Chair, Boring CPO
- Russ Pascoe, Chair, Cooper Spur Wild and Free Coalition
- Kellie Rice, Regional Volunteer Coordinator, Western Oregon, The Access Fund
- Steve Rhodes, City Manager, Damascus
- Randy Shannon, Councilor, Damascus
- Monty Smith, President, Friends of Forest Park
- Mary Cook Swanson, Senior Planner, Parks Department, Clackamas County
- Shawn Tierney, Access and Acquisitions Director, The Access Fund
- Jay Ward, Conservation Director, Oregon Natural Resources Council
- Dee Wescott, Mayor, Damascus
- Jim Wright, Councilor, Damascus
- Craig Zell, MAI, SRA, Certified Appraiser, Zell & Associates
- Dan Zinzer, Manager, Transportation Engineering, Parks & Property Management, Clackamas County
- Joan Zuber, Vice Chair, South Clackamas CPO