



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 18-150

Version: 1

Date: 4/9/2018

Item #:

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Rutherford, Urban Development Department Director

SUBJECT:

Purchase and Sale Agreement with Dogwood Heights LLC for the acquisition of real property

Ward(s): 7

Councilor(s): Cook

Neighborhood(s): SWAN

ISSUE:

Shall the City Council authorize the City Manager to execute the attached Purchase and Sale Agreement with Dogwood Heights LLC for the acquisition of real property identified as a portion of tax lots 083W04C00100 and 083W04C00200?

RECOMMENDATION:

Authorize the City Manager to execute the attached Purchase and Sale Agreement with Dogwood Heights LLC for the acquisition of real property identified as a portion of tax lots 083W04C00100 and 083W04C00200.

SUMMARY AND BACKGROUND:

On October 30, 2017, Dogwood Heights LLC (Developer), whose principal is Eric Jensen, received a Notice of Decision to proceed with development of a 14.14 acre subdivision of single family homes located along Spring Street South and Dogwood Drive South (Attachment 1). Due to neighborhood concerns, the City worked with the Developer to seek alternatives that might keep a portion of the site as green space.

FACTS AND FINDINGS:

Through the proposed Purchase and Sale Agreement (Agreement) (Attachment 2) the City will

acquire a portion of the site for public green space. The property will be acquired with Public Works Stormwater Funds.

To create the legal lot for the City to purchase, the Developer may need to apply to modify the approved tentative plan for the subdivision. The Developer has conditioned the sale on approval of the needed modification, and has reserved the right to terminate the sale if the modification is appealed.

Key terms of the Agreement:

Price \$85,000 per acre, ~\$360,400 total, subject to final lot size

Size: ~4.24 acres, subject to final lot

Earnest Money: \$10,000

Legal Lot: Developer to create legal lot and modify subdivision

Modification Funds: City to pay full cost of subdivision modification, maximum of \$27,000 for engineering fees, permit fees, etc.

Termination: Developer has reserved the right to terminate the agreement if the modification of the subdivision is appealed.

Closing: No later than October 1, 2018

Clint Dameron
Real Property Services Manager

Attachments:

1. Location Map
2. Proposed Agreement