



Staff Report

File #: 18-444
Version: 1

Date: 10/8/2018
Item #: 3.3 d.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Kristin Retherford, Urban Development Dept. Director

SUBJECT:

Lease with Alpha Nursery, Inc. for property located in the 4400 block of Hazelgreen Road NE.

Ward(s): Ward 5
Councilor(s): Ausec
Neighborhood(s): Northgate

ISSUE:

Shall the City Council authorize the City Manager to execute the attached lease with Alpha Nursery, Inc.?

RECOMMENDATION:

Authorize the City Manager to execute the attached lease with Alpha Nursery, Inc.

SUMMARY AND BACKGROUND:

The City of Salem (Lessor) acquired the 45.26-acre Hazelgreen Road NE property (Property) (Attachment 1) on June 29, 2018, for use as a future Community Park. The Property is currently used for crop farming and has been historically under lease to Alpha Nursery, Inc. (Doug Zielinski, President) (Lessee). The City has no plans to develop the Property within the next five years, and, therefore, desires to lease the property to keep it productive via farm use.

FACTS AND FINDINGS:

Staff and Lessee have come to terms on a proposed lease (Lease) (Attachment 1). Key terms of the Lease are below.

Term: three years, commencing November 1, 2018

Renewal Options: three one-year terms with Lessor approval
Lease Rate: \$250/acre (\$11,315 annually) paid in arrears

Revenue from the Lease will go to the Parks Capital Improvements Fund.

Clint Dameron
Real Property Services Manager

Attachments:

1. Site Map
2. Proposed Lease