



Staff Report

File #: 20-359

Version: 1

Date: 9/28/2020

Item #: 3.3c.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Urban Development Director, Kristin Retherford

SUBJECT:

Sale of property at the Salem Business Campus to Peninsula Truck Lines, Inc. and authorizing street improvements

Ward(s): Ward 3

Councilor(s): Councilor Nanke

Neighborhood(s): Southeast Mill Creek Association (SEMCA)

Result Area(s): Strong and Diverse Economy

ISSUE:

Shall the City Council authorize the City Manager 1) to execute the attached Purchase and Sale Agreement with Peninsula Truck Lines, Inc., selling 8.2 acres of City land at the Salem Business Campus for \$989,422, and 2) authorize the expenditure of \$942,000 on improvements to the Gaia Street cul-de-sac?

RECOMMENDATION:

Authorize the City Council to authorize the City Manager 1) to execute the attached Purchase and Sale Agreement with Peninsula Truck Lines, Inc., selling 8.2 acres of City land at the Salem Business Campus for \$989,422, and 2) authorize the expenditure of \$942,000 on improvements to the Gaia Street cul-de-sac.

SUMMARY:

A representative for Peninsula Truck Lines, a warehouse and logistics company, has extended and offer to purchase property at the Salem Business Campus. Tim Vander Pol is the shareholder with the largest interest in Peninsula Truck Lines, Incorporated. The business prefers the location adjacent to the Portland General Electric (PGE) substation (Attachment A) and proximity to Interstate -5. The company will distribute products on the west coast from this location, and expects to employ up to 20 individuals.

A subdivision modification has been submitted to Community Development to create two smaller 5-6 acre lots along Gaffin Road SE and the 8.2 acres prior to closing.

FACTS AND FINDINGS:

The proposed use is allowed in the Industrial Business Campus zone and consistent with the requirement in the adopted CC&Rs for traded sector uses. Terms of the Purchase and Sale Agreement (Attachment B) include:

Size: 8.2 acres

Purchase price: \$989,422 - the final purchase price may be up to \$1,039,422, if the final construction estimate for the Gaia Street cul-de-sac is greater than \$900,000.

Earnest money: \$50,000

Special conditions: 1) City receives an approved modified subdivision and records a plat creating the 8.2 Lot 4; and 2) Construction of the Gaia Street cul-de-sac, of which the buyer may be responsible for up to \$50,000.

Closing: Following 120-day due diligence period, if conditions are met.

BACKGROUND:

Public Works and Planning have indicated that the Gaia Street cul-de-sac will be a condition in the modified subdivision decision for the 8.2 acre Lot 4. Urban Development will utilize the earnest money and unallocated funding in the Salem Business Campus budget to fund design of the Gaia Street cul-de-sac. Land sale proceeds will be used for the construction of the cul-de-sac expected to start in summer 2021.

Annie Gorski
Economic Development Manager

Attachments:

1. Map - proposed tentative subdivision layout
2. Purchase and Sale Agreement