



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 22-165

Version: 1

Date: 6/13/2022

Item #: 3.3a.

TO: Mayor and City Council

THROUGH: Kristin Retherford, Interim City Manager

FROM: Norm Wright, Urban Development Department Interim Director

SUBJECT:

Real Estate Donation agreement with SFA2, LLC for acceptance of property near the intersection of Pringle Road SE and Hillrose Street SE

Ward(s): 3

Councilor(s): Phillips

Neighborhood(s): Morningside

Result Area(s): Natural Environment Stewardship; Welcoming and Livable Community.

SUMMARY:

SFA2, LLC (Sally N. Miller, Manager) (Donor) is donating property (Property) in South Salem (Attachment 1) for use as a natural area.

ISSUE:

Shall City Council authorize the City Manager to accept the donation of the Property located at the intersection of Pringle Road SE and Hillrose Street SE?

RECOMMENDATION:

Authorize the City Manager to accept the donation of the Property located at the intersection of Pringle Road SE and Hillrose Street SE.

FACTS AND FINDINGS:

Staff and Donor have come to agreement on terms of a donation agreement (Agreement) (Attachment 2). Key facts of the Agreement are below.

Property: Marion County Taxlot 083W110000202

Acreage: 14.07

Closing: within 90 days of execution of Agreement

Contingencies: environmental review

Funding for expenses related to the donation will come from Parks System Development Charges.

BACKGROUND:

The Property was created subject to conditions of approval in Fairview Refinement Plan/Partition/Phased Subdivision Case No. FRP-PAR-SUB14-01. Pursuant to Partition Condition 3 of FRP-PAR-SUB14-01, the developer entered into a Deferral Agreement and Improvement Agreement with the City related to construction of street improvements along Pringle Road SE and Battle Creek Road SE.

The provisions of the Deferral Agreement and Improvement Agreement run with the land, so the Donor will have no obligations under the Deferral Agreement or Improvement Agreement for Parcel 2 after the donation is complete. Section 6.1 of the draft Donor Agreement states, "Recipient agrees to assume and pay and, upon Closing, to discharge Donor, and Donor's members from, all of Donor's obligations and liabilities under that Construction Deferral Agreement dated April 16, 2015, and recorded April 16, 2015 in Marion County, Oregon, and that Improvement Agreement dated April 13, 2015, and recorded April 16, 2015, in Marion County, Oregon as to Parcel 2."

Subdivision Condition 1b of FRP-PAR-SUB14-01 required the developer of the southerly adjacent property (Parcel 3) to provide a performance security to guarantee construction of street improvement for a portion of the Property's Battle Creek Road frontage. Staff anticipates that the performance security required for development of Parcel 3 will be reduced proportionately by the ratio of Battle Creek Road SE frontage. All City-funded construction costs of Battle Creek Road SE are eligible for expenditure from Fairview Development District funds.

The Donor Agreement states that the Recipient agrees to cooperate with Donor in signing a Form 8283, Noncash Contributions, which Donor will file with the Internal Revenue Service.

Clint Dameron
Real Property Services Manager

Attachments:

1. Location Map
2. Agreement