



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 22-427

Version: 1

Date: 9/26/2022

Item #: 3.3d.

TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Kristin Rutherford, Urban Development Department Director

SUBJECT:

Purchase and Sale Agreement with Don Lulay Homes, Inc. for acquisition of real property adjacent to Franzen Reservoir

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance; Natural Environment Stewardship; Safe, Reliable and Efficient Infrastructure.

SUMMARY:

The City of Salem owns and maintains the Franzen Reservoir in Turner, OR as a major component of its drinking water infrastructure. Staff has determined that in order to protect the integrity of the reservoir, it is prudent to acquire property adjacent to it to prevent development from occurring on the embankments surrounding the reservoir.

ISSUE:

Shall City Council authorize the City Manager to execute the attached Purchase and Sale Agreement for acquisition of real property adjacent to Franzen Reservoir?

RECOMMENDATION:

Authorize the City Manager to execute the attached Purchase and Sale Agreement (Attachment 1) for acquisition of real property adjacent to Franzen Reservoir.

FACTS AND FINDINGS:

Staff has come to terms with Don Lulay Homes, Inc. ("Seller") (Don Lulay, President) on terms of a Purchase and Sale Agreement (Agreement) for acquisition of Seller's property (Property) commonly

known as 7300 Eastwood Drive SE and identified as Tax Lot 082W29AB09100 in Turner and adjacent to Franzen Reservoir. Key terms of the Agreement are below.

Purchase Price: \$375,000
Property Size: 2.51 acres
Earnest Money: \$10,000
Closing: no later than December 1, 2022
Contingencies: environmental and title review

BACKGROUND:

Funding for this acquisition will come from Water Rate funds.

Clint Dameron
Real Property Services Manager

Attachments:
1. Agreement