

## Staff Report

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**File #:** 19-40

**Version:** 1

**Date:** 1/28/2019

**Item #:** 3.3c.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Kristin Retherford, Urban Development Dept. Director

**SUBJECT:**

Purchase and Sale Agreement for the acquisition of real property with Janet B. Swarthout and the Dan B. Swarthout Revocable Trust and residential lease with Zac Swarthout for property located at 681 Rees Hill Road, SE.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): South Gateway

Result Area(s): Welcoming and Livable Community

**ISSUE:**

Shall the City Council authorize the City Manager to execute the attached Purchase and Sale Agreement and residential lease for real property?

**RECOMMENDATION:**

Authorize the City Manager to execute the attached Purchase and Sale Agreement and residential lease for real property.

**SUMMARY:**

Staff has identified a property for acquisition as a future Community Park and come to terms of an agreement (Agreement) (Attachment 1) with Janet B. Swarthout and the Dan B. Swarthout Revocable Living Trust (collectively the "Seller").

**FACTS AND FINDINGS:**

Staff has identified the property located at 681 Rees Hill Road SE (Property) as the site of a potential park, the details of the Agreement are listed below. The Property is located adjacent to, but not

within, the Salem City limits, and inside the Urban Growth Boundary. The bulk of the Property is fallow farmland, but also includes a duplex residential structure and a barn. The duplex is occupied by a family member of the Seller (Tenant), and the Tenant desires to remain on the Property and has agreed to enter into a lease (Lease) (Attachment 2) with the City. Key terms of the proposed Lease are below.

In addition to the Property being acquired for park use, a portion of it is also the location of the proposed extension of Lone Oak Road SE. As stated in UGA 17-06, the extension of the road is the responsibility of the developer (Developer) of the property to the north. If the Property is acquired, the City will negotiate with the Developer to sell the necessary right of way to complete the road extension. Sale of the road right of way will not be a detriment to development of the park.

#### Purchase and Sale Agreement - Key Terms

Price:	\$1,450,000
Acres:	17.48
Improvements:	duplex residential structure and barn
Earnest Money:	\$15,000
Closing:	90 days from execution
Easements:	access and utility easements benefitting adjacent property

#### Lease Agreement - Key Terms

Rate:	\$875 monthly
Term:	month to month
Expenses:	tenant responsibility
Maintenance:	tenant responsibility

#### **BACKGROUND:**

This acquisition will be funded with Parks System Development Charges (SDC), the project is identified in the City's Comprehensive Parks System Master plan, and is on the current SDC Parks 309 list.

Clint Dameron  
Real Property Services Manager

#### Attachments:

1. Proposed Agreement.
2. Proposed Lease.