



Staff Report

File #: 21-210

Version: 1

Date: 5/24/2021

Item #:

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Department Director

SUBJECT:

Real Estate Agreement with United Way of the Mid-Willamette Valley, Inc. for the sale of City surplus real property at 4396, 4408, 4432, 4446, and 4480 Market Street NE

Ward(s): 6

Councilor(s): Hoy

Neighborhood(s): ELNA

Result Area(s): Good Governance; Strong and Diverse Economy; Welcoming and Livable Community

ISSUE:

Shall the City Council authorize the City Manager to execute the attached Real Estate Agreement with United Way of the Mid-Willamette Valley, Inc. for the sale of City surplus real property identified as Tax Lot 072W19AC01701, 4396, 4408, 4432, 4446, and 4480 Market Street NE?

RECOMMENDATION:

Authorize the City Manager to execute the attached Real Estate Agreement with United Way of the Mid-Willamette Valley, Inc. for the sale of surplus City real property identified as Tax Lot 072W19AC01701, 4396, 4408, 4432, 4446, and 4480 Market Street NE.

SUMMARY:

The sale of the real property benefits the City and the public by lowering barriers to the development of affordable housing. Sale of the property below market value will allow the United Way of Mid-Willamette Valley to develop low-income senior housing. The City has the authority pursuant to the Salem Charter, the City's surplus real property policy, and ORS 271.310 and 271.330 to sell or transfer the City's interest in real property for less than fair market value.

FACTS AND FINDINGS:

After dedication of the necessary right-of-way, property identified as Tax Lot 072W19AC01701, 4396, 4408, 4432, 4446, and 4480 Market Street NE (Property) are suitable for surplus sale and redevelopment. Terms for the Real Estate Agreement (Agreement) (Attachment 1):

Sales Price: \$20 per lot.
Acreage: 1.1 acres on six lots.
Land Use: City to obtain land use approval, including land division or adjustment approval, at its cost.
Special Conditions: Property must be developed and maintained as low-income senior housing; City can take back the property if not developed per Agreement.
Sale Date: Intermittently, as lots are legally created.

The estimated cost to complete the land use work necessary to create legal lots for sale is estimated to be between \$50,000 - \$100,000, dependent on what property line adjustment process will be required to complete the work. Funding for the land use process will come from remaining 2008 Streets and Bridges Bond funds, an allowable use of the funds that were used by the City to acquire the land.

BACKGROUND:

With funding from the 2008 Streets and Bridges Bond, in 2011 the City acquired multiple parcels of land as part of the Market Street NE and Swegle Road NE Corridor Improvement Project.

Staff was approached by United Way of the Mid-Willamette Valley, Inc. (Rhonda Wolf, CEO) (Purchaser) regarding a purchase of the Property to develop low-income senior housing.

Clint Dameron
Real Property Services Manager

Attachments:

1. Real Estate Agreement