



Staff Report

File #: 21-269

Version: 1

Date: 8/9/2021

Item #: 3.3a.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Urban Development Department, Kristin Retherford

SUBJECT:

First amendment to the Purchase and Sale Agreement with Peninsula Truck Lines Inc., LLC for City owned land (lot 5) at the Salem Business Campus, clarifying the closing date and increasing the purchase price.

Ward(s): Ward 3

Councilor(s): Councilor Phillips

Neighborhood(s): Southeast Mill Creek Association

Result Area(s): Strong and Diverse Economy

SUMMARY:

Peninsula Truck Lines will purchase 8.24 acres of land from the City for \$1,064,422, which includes \$50,000 towards the construction of Gaia Street, SE extension, and \$25,000 towards the purchase of wetland mitigation credits for wetland impacts on the parcel. Closing will occur within 15 calendar days of the Oregon Department of State Lands and U.S. Army Corps of Engineers approving a joint permit application for 0.40 acres of wetland impacts on Lot 5, expected in February 2022.

ISSUE:

Shall City Council authorize the City Manager's execution of the attached First Amendment to the Purchase and Sale Agreement with Peninsula Truck Lines, Inc., for 8.24 acres of City owned land at the Salem Business Campus, modifying the closing date and increasing the purchase price to \$1,064,422?

RECOMMENDATION:

Authorize the City Manager's execution of the attached First Amendment to the Purchase and Sale Agreement with Peninsula Truck Lines, Inc., for 8.24 acres of City owned land at the Salem Business Campus, modifying the closing date and increasing the purchase price to \$1,064,422.

FACTS AND FINDINGS:

On October 6, 2020, a Purchase and Sale Agreement was executed (Attachment 1) with Peninsula Truck Lines (Lot 5) for 8.24 acres of land at the Salem Business Campus for their warehouse and distribution facility. The first phase of the subdivision plat was recorded with Marion County on July 16, 2021, creating lots 1, 2, 3, and 5.

The First Amendment to the Purchase and Sale Agreement (Attachment 2) includes the following:

Recital A of the Agreement is amended to state: "Seller is the owner of real property located in the Salem Business Park, Marion County, Oregon, as shown in Exhibit A, and more particularly described in Exhibit B, attached hereto and incorporated herein."

Exhibit A - The tentative subdivision plan map is replaced with the recorded subdivision plat map, referencing an 8.24 acre parcel (Lot 5) for Peninsula Truck Lines to purchase. The plat was recorded in Marion County on July 16, 2021. Volume H48, Page 88, Book of Town Plats, and Reel 4515, Page 489.

Exhibit B - The legal description is added as "Lot 5, Salem Business Campus, Volume H48, Page 88, Marion County Book of Town Plats."

Section 2 - Purchase Price: The purchase price shall be increased to \$1,064,422 and includes a base price for the land of \$989,422, plus \$50,000 towards the construction of Gaia Street, SE extension, and \$25,000 towards the purchase of wetland mitigation credits for 0.40 acres of wetland impacts on Lot 5. Buyer shall have no obligation to pay additional amounts toward the Gaia Street, SE extension or the wetlands mitigation credits.

Section 8d is deleted:

Section 9 - Construction of the Gaia Street SE extension is expected to start in the spring of 2022. Closing will occur within 15 calendar days of the Oregon Department of State Lands and U.S. Army Corps of Engineers approval of a joint permit application for 0.40 acres of wetland impacts on Lot 5, expected in February 2022; however, in no event shall Closing occur later than April 30, 2022.

BACKGROUND:

An updated wetland delineation identified wetlands at the Salem Business Campus, including Lots 1, 2, and 5. The lot configurations and alignment of the Gaia Street extension have been modified to avoid wetlands where possible. Approximately 25 acres of conservation areas, including significant white oak trees, will be protected. The majority of wetlands are located in the conservation areas and will not be impacted. The 0.40 acres of wetlands on Lot 5 cannot be avoided due to the size of the lot, building layout, and required landscape requirements and design standards. The City will submit a Joint Permit Application to Oregon Department of State Lands for approval of the wetland impacts and wetland mitigation for Lot 5.

Annie Gorski
Economic Development Manager

Attachments:

1. Purchase and Sale Agreement
2. First Amendment to the Purchase and Sale Agreement