



Staff Report

File #: 21-349

Version: 1

Date: 8/9/2021

Item #: 3.3b.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Urban Development Department, Kristin Retherford

SUBJECT:

Third Addendum to the Purchase and Sale Agreement with Discount Nursery Supplies, LLC for City owned land (lot 2) at the Salem Business Campus, extending the closing date and increasing the acreage to 2.53 acres.

Ward(s): Ward 3

Councilor(s): Councilor Phillips

Neighborhood(s): Southeast Mill Creek Association

Result Area(s): Strong and Diverse Economy

SUMMARY:

Discount Nursery Supplies would like to purchase a larger lot with space for their building layout and driveway access. The closing date will be extended until after the City receives an approved Joint Permit Application for approximately 0.40 acres of wetland impacts on the site. In June, Council approved a companion Purchase and Sale Amendment with the adjacent (Lot 3) buyer, reducing their acreage to provide space for Discount Nursery Supplies.

ISSUE:

Shall City Council authorize the City Manager's execution of the attached Third Addendum to the Purchase and Sale Agreement with Discount Nursery Supplies, Inc. for 2.53 acres of City owned land at the Salem Business Campus, extending the closing date and increasing the purchase price to \$374,703 for the larger lot?

RECOMMENDATION:

Authorize the City Manager's execution of the attached Third Addendum to the Purchase and Sale Agreement with Discount Nursery Supplies, Inc. for 2.53 acres of City owned land at the Salem Business Campus, extending the closing date and increasing the purchase price to \$374,703 for the larger lot.

FACTS AND FINDINGS:

On November 25, 2020, a Purchase and Sale Agreement and two addendums were executed (Attachment 1) with Discount Nursery Supplies for 2 acres (Lot 2) of land at the Salem Business Campus for their nursery pot manufacturing and warehouse facility.

The Third Addendum to the Purchase and Sale Agreement (Attachment 2) includes the following:

Recital A - Lot 2 is increased from 2.03 to 2.53 acres

Section 2 - The purchase price is increased to \$374,703 to reflect purchase of 2.53 acres at \$148,104 per acre.

Section 3 - The Buyer will deposit an additional \$25,000 in earnest money, for a total \$30,000, within 5 days of executing the amendment.

Section 7 - Closing is extended and will occur within 30 days of the Seller receiving an approved wetland permit from the Oregon Department of State Lands, and if required, the U.S. Army Corps of Engineers, as early as February 2022, but in no event will closing occur later than July 31, 2022.

Exhibit A - The Subdivision Plan Map is replaced with the recorded subdivision plat map, showing Lot 2 as 2.53 acres (Attachment 3).

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 the wetlands are located in the conservation areas and will not be impacted. The 0.40 acres of wetlands on Lot 2 cannot be avoided due to the size of the lot 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 2.

Annie Gorski
Economic Development Manager

Attachments:

1. Executed Purchase and Sale Agreement and Addendums 1 and 2
2. Third Addendum to the Purchase and Sale Agreement
3. Recorded Subdivision Plat Map