



Legislation Text

File #: 18-196, Version: 1

Acquisition of a Fir Street Property Zoned General Industrial

RECOMMENDED ACTION (Motion):

Authorize the Purchase and Sales Agreement and Receipt for Earnest Money between GDI RE Acquisition LLC and the City of Oregon City for TL 3-2E-09B-01101 (13895 Fir Street) in the amount of \$7,100,000 as well as personal property in the amount of \$13,100.

BACKGROUND:

On February 2, 2018, the *Willamette Weekly* published news that "The Portland brewing world is being rocked by the news that 97-year-old Oregon City beer distributor General Distributors has been sold to one of the biggest distributors in the country, Portland-based Columbia Distributing." According to the article, the plan was to close down the Oregon City warehouse on Fir Street.

In consideration of the City's longstanding need for industrial property and storage facilities, City staff reached out to the new owners through Capacity Commercial Group to inquire about the property and the possibility for a City acquisition. The property inquiry is aligned with the City Commission's overall Goal to "Address Critical Facility Needs." Since early March, staff have been working toward a Purchase and Sales Agreement to acquire the property that would 1) best meet the needs of the community, 2) be at a purchase price that is within an acceptable appraised value, and 3) be at an amount that could be acquired using existing City savings for facilities. The City Commission and the City's Budget Committee has been consistently setting aside contributions each year for this specific purpose.

The Fir Street property under consideration includes the following:

- a. 4.79 Acres along the Fir Street industrial corridor
- b. 51,000 Square feet of existing warehouse space
- c. 16,000 Square feet of office space
- d. Two existing 10,000-gallon fuel tanks and associated fueling system
- e. Site security fencing and surveillance system
- f. Ample parking and yard area

The site is valuable to the City in that it is not inhibited by geologic hazard zones, natural resource zones, or floodway. Fir Street is fully developed with utilities and street improvements. The purchase price is consistent with the independent appraisal report completed by L3 Valuation and dated February 22, 2018. The owner has completed a Phase I and Phase II Environmental Assessment on the property. The City will have 60 days of due diligence to review the property and property documentation. Staff understands that the site will require extensive renovations or possibly new construction before it would be in a condition to service the operational needs of the City. The City Attorney has reviewed this proposed purchase and sales agreement.

BUDGET IMPACT:

Amount: \$7,113,100

FY(s): 2018/19

Funding Source: General Facilities Capital Projects Fund