



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: December 20, 2023

SUBJECT: Approval of Board Order No. 2023-057 authorizing the sale of property located at 16775 CW Reeves Lane in La Pine to Pudding River Properties, and further authorizing the Deschutes County Property Manager to execute the documents associated with the sale

RECOMMENDED MOTION:

Move approval of Board Signature of Order No. 2023-057 authorizing the sale of property located at 16775 CW Reeves Lane, La Pine, known as Map and Tax Lot 221014DA00400, to Pudding River Properties LLC, and further authorizing the Deschutes County Property Manager to execute the documents associated with the sale

BACKGROUND AND POLICY IMPLICATIONS:

Deschutes County owns property in the Finley Butte Industrial Park Phase 1 plat located at 16775 CW Reeves Lane, La Pine, known as Map and Tax Lot 221014DA00400. The +/- 2.95 acre lot has a Real Market Value (RMV) of \$334,100 as determined by the Deschutes County Assessor's Office.

Tom and Karen Zitzelberger are owners of Western Metrology Sales LLC in Wilsonville, Oregon, which specializes in manufacturing, inspection, and equipment sales. The Zitzelberger's submitted an offer to purchase said property and relocate their business to La Pine. Their intent is to initially construct a 10,000 square foot building at a rough cost of \$2,000,000 and anticipate adding an additional 20,000 square feet in 5-10 years. Current work force includes 7 employees, and the Zitzelberger's anticipate adding roughly 18 new positions in the next 10 years.

It's anticipated construction will start late 2024 with completion late 2025, and their business relocating and operational by December 2025.

Highlights of the offer includes,

1. \$224,878.50 sales price, or \$76,230/acre at \$1.75 per square foot
2. \$12,000 refundable earnest money –becomes nonrefundable after buyer removes contingencies
3. 180-day (calendar) due diligence period
 - a. Buyer has up to three 60-day extensions at a cost of \$6,000/extension, which

are nonrefundable, but applied to purchase price

4. Closing to occur within 10-days (calendar) after buyer removes contingencies

In 2019, the County and City of La Pine entered into an intergovernmental agreement that provides the City full power and authority to market, promote and negotiate sales of County-owned property located in the industrial area (La Pine Industrial, Newberry Business Park and Finley Butte Industrial Park) for the purpose of economic development. The IGA includes a 50/50 split of gross proceeds from sales. The City of La Pine and Sunriver La Pine Economic Development (SLED) support this transaction including the sales price.

BUDGET IMPACTS:

\$224,878.50 gross proceeds will be allocated between the County and the City per the terms of the Intergovernmental Agreement.

ATTENDANCE:

Kristie Bollinger, Property Manager