



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of March 23, 2026

**Title/Subject**

Resolution 2413: Approving a Purchase & Sale Agreement to sell 10 acres of land, known as Cook3A1 within the South Hermiston Industrial Park.

**Summary**

This resolution will authorize staff to carry out all of the actions necessary to sell 10 acres of city-owned land, known as Cook3A1, located southeast of the intersection of SE 9<sup>th</sup> street and E Penny Avenue within the South Hermiston Industrial Park, identified as Parcel 1 in the attached partition plat.

**Background**

The City Council, in January, 2024, authorized the purchase of approximately 44.42 acres ([Cook #3](#)). That purchase closed in June, 2024 at a price of \$41,175.28 per acre. The direction from City Council was for city staff to market the property for economic development purposes for a period of at least 5 years; after which time, the strategy would shift to liquidating the asset for the purposes of simply recouping the investment at a price commensurate with what the city would have otherwise received from investing those resources in the Local Government Investment Pool (LGIP).

This request is related to a private light industrial development planning to initially construct a 30,000 square foot building, with future planned building to total up to approximately 95,000 square feet. This development would be located on a 10 acre parcel (Cook3A1) which was partitioned off from the 44 acre parent site (Cook #3).

**Tie-In to Council Goals**

Goal 1- ECONOMIC DEVELOPMENT: EXPAND, STRENGTHEN, AND DIVERSIFY THE LOCAL ECONOMY

**Fiscal Information**

This 10 acre sale will be for \$65,000 per acre (\$650,000). Accounting for closing costs and brokerage fees estimated at \$35,000, this results in a 20-month "profit" of approximately \$20,000 per acre (~\$200,000).

The initial capital (\$1,833,006.00) to purchase Cook #3 was derived from reserves in the Utility Fund. Upon completion of this sale, all proceeds will be returned to the Utility Fund's reserve. This will leave approximately 34 acres from the original purchase, and leave approximately \$1,148,006 from the original basis to still be returned to the Utility Fund.

Assuming LGIP rates of return since June, 2024 on the remaining \$1,175,000, the current amount needed to be returned to the utility fund from future land sales is approximately \$1,285,000. Spread across 34 remaining acres, this yields a minimum sale price for future land as approximately \$37,800 per acre. Therefore, staff still feels confident in the strategy of continuing to hold the real estate for the remaining 3.5 years and marketing it for development while ultimately being able to quickly liquidate it at the end at a price which will make the utility fund whole.

### **Alternatives and Recommendation**

#### **Alternatives**

1. Approve Resolution 2413
2. Reject Resolution 2413
3. Table Resolution 2413

#### **Recommended Action/Motion**

Approve Resolution 2413

#### **Submitted By:**

Mark Morgan