



925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4905
www.lebanonoregon.gov

MEMORANDUM

City Manager's Office

Date: August 27, 2025

To: Mayor Jackola and City Council
From: Ron Whitlatch, City Manager
Subject: Amendment to LMC 3.16 – City-owned Property Sale

Background

Lebanon Municipal Code (LMC) Chapter 3.16 currently establishes the process for the sale of City-owned real property. As written, the code requires that such property be sold through a competitive bidding process. While this process has been effective in certain situations, it does not align fully with the provisions of Oregon Revised Statutes (ORS) 221.725 and other applicable state laws, which provide municipalities with broader flexibility in methods for disposing of surplus property.

State law allows for alternative sale methods, such as negotiated sales, direct sales to public entities, or other processes that may better serve the public interest, provided that proper public notice and procedural safeguards are followed. Aligning LMC Chapter 3.16 with the ORS will ensure the City has the ability to select the most appropriate sale method for each circumstance while maintaining transparency and accountability.

Issue

The existing language in Chapter 3.16 is overly restrictive and limits the City to a single sale method—competitive bidding—even when alternative methods may yield more favorable terms or better serve community needs. This restriction can create inefficiencies, reduce potential buyer interest, and in some cases, hinder the City's ability to complete transactions that comply with ORS but do not fit the current code's narrow process.

Recommendation

Staff recommends amending LMC Chapter 3.16 to:

1. Remove the requirement for a competitive bidding process as the sole method for sale.
2. Incorporate language referencing compliance with applicable state laws, specifically ORS 221.725, allowing flexibility in sale methods.
3. Maintain requirements for public notice, Council approval, and transparency in all sales.

These amendments will provide the City with a range of sale options permitted under state law, while preserving safeguards that ensure fairness and public trust.

Requested Action

I move to approve Ordinance 3038 amending Lebanon Municipal Code Chapter 3.16 to align with Oregon Revised Statutes regarding the sale of City-owned property, removing the sole reliance on a bidding process and allowing other lawful methods of sale.