

**A BILL FOR AN ORDINANCE REVISING) Ordinance Bill 7,
PROCEDURES FOR SELLING CITY OWNED) for 2025
REAL ESTATE AND AMENDING CHAPTER 3.16)
OF THE LEBANON MUNICIPAL CODE) Ordinance Number 3038**

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WHEREAS, the State of Oregon, by the provisions of ORS 221.725 and ORS 221.727, has created methods by which City owned real property may be sold; and

WHEREAS, the City desires to ~~create a procedure~~establish procedures, consistent with the requirements of state law, ~~to sell real property which is owned by the City, but is not needed for public use by the City; for the sale of City-owned real property that is no longer needed for public use;~~

NOW, THEREFORE, the City of Lebanon ~~does ordains~~ as follows:

Section 1. Lebanon Municipal Code, Chapter 3.16, *Sale of City Owned Real Property*, is amended ~~as follows~~to read:

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3.10.010 **Purpose.** This ordinance ~~is created to provide~~s a procedure ~~by which the City sells for the sale of City-owned~~ real property ~~owned by the City which that~~ has been determined to ~~no longer~~ have no further public need. ~~This ordinance may be known as "Procedures to Sell City Owned Real Property."~~ ~~It is intended that~~ The provisions of this chapter ~~shall~~ supplement the requirements of Oregon law ~~in for~~ the sale of City owned real property. ~~In the event that~~ if any provision of this chapter ~~shall~~ conflicts with state law, state law shall control.

3.10.020 **Decision to Sell Real Property.** ~~In the event that~~ When the City Council ~~determines should decide~~ that a parcel ~~or parcels~~ of City-owned real property ~~owned by the City~~ is not longer needed for a public use, the Council may order ~~that~~ the property ~~be~~ sold in accordance pursuant to the procedures ~~with~~ of this chapter. The decision ~~of the Council to order the property sold~~ shall be made at a regular or special City Council ~~-meeting of the City council~~, and ~~shall be~~ based upon evidence and recommendations gathered by City staff. Unless otherwise required ~~by by the Council~~law, no public hearing shall be required for the Council to make a determination that the ~~real~~ property is no ~~longer~~ needed for public use ~~or to decide to sell the real property, subject to the public hearing procedures required by Oregon law and this Chapter.~~

3.10.030 **Procedure to Sell Real Property.** If the City Council decides to sell real property, ~~pursuant to this Chapter~~, the City Administrator, or ~~the City~~ Administrator's designee, shall ~~prepare a request for bids to buy the subject real property~~arrange for the sale in a manner approved by the Council, which may include listing with a licensed real estate broker, sealed bids, auction, or direct negotiation.

~~A notice shall be published of the proposed Disposition of City Real Property Interest. Such notice shall be published in one or more newspapers of general circulation in Linn~~

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~~County, and in any other publication which the City Administrator deems advisable, considering any unique circumstance surrounding the subject real property. The notice shall be published not less than once a week, for three successive weeks. The published notification shall include the following:~~

~~A) — A general description of the City Real Property Interest subject to disposition, including a legal description;~~

~~B) — The minimum asking price. The minimum asking price shall be determined after considering an appraisal of the real property or other information which the City Administrator deems appropriate, including a consideration of the costs of sale of the property;~~

~~C) — The name and address of the person to contact to obtain any additional information concerning the City real property interest;~~

~~D) — A Request for Proposals, including the address to which the Proposal must be delivered and the date and time the Proposal is due, which shall not be less than thirty (30) days from the date of the first notice;~~

~~E) — A requirement that a security deposit in the amount and form required by this chapter be submitted with the Proposal; and~~

~~F) — A reservation of the right of the City to accept or reject any Proposal;~~

~~H) — Any other information the City administrator deems desirable to include in the Notice.~~

~~In addition to the above notice requirements, the City Administrator shall also cause notices to be sent, containing the same information as required above, to the owners of real property directly adjoining the city owned real property proposed to be sold. Such notices shall be sent by regular mail, to the person, persons or entity listed in the records of Linn County, Oregon purporting to be the owner in fee title to the real property directly adjoining the city owned property to be sold. Failure of any person or entity with an ownership interest in said adjoining real property to receive the notice of the proposed sale of the subject city owned real property shall not invalidate or impede any subsequent sale of the city owned real property.~~

3.10.040 Proposals for Purchase of Property.

~~A) All Proposals submitted in response to the published notice described in this Chapter above, shall be accompanied by a deposit, in the form of:~~

~~(1) A certified check; or (2) Sufficient bond furnished by a surety company authorized to do business in this State, in favor of the City of Lebanon, in a sum not less than ten percent (10%) of the total amount of the value of the Proposal.~~

~~B) Deposits will be refunded to all unsuccessful Proposers after:~~

~~(1) The closing of the sale to a successful Proposer; or (2) Rejection of all Proposals.~~

~~C) Each Proposal shall clearly set forth the amount offered for the purchase of the City owned Real Property, and shall include the following additional matters:~~

~~(1) Any conditions upon the Proposer's offer to acquire the City's Real Property Interest; and (2) Any other information the Proposer believes is relevant to its~~

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~~Proposal.~~

~~D) If the City Administrator finds any Proposal to be ambiguous, the City Administrator may request that the Proposer submit further information in order to clarify the Proposer's Proposal. If the City Administrator does not request any such clarification, the ambiguous Proposal may be rejected.~~

~~3.10.050 — **Opening of Proposals.** After the date and time for submitting Proposals has passed, the City Administrator shall open all Proposals that have been timely delivered and that have the required deposit. All responsive Proposals shall be evaluated by the City Administrator, or his designate, in order to determine the Proposal most advantageous to the City. The City Administrator may make recommendations to the city council concerning the transfer of the city's interest in the subject real property. The city council, as provided in this chapter after public notice and hearing may determine if the Proposal is most advantageous to the City. The determination of the most advantageous Proposal by the city council shall be final and conclusive and shall not be subject to review by any court.~~

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~~3.10.060 — **Negotiations.** The City Administrator shall notify the apparent successful Proposer and may negotiate to determine if the transfer can be consummated, subject to the final approval of the City council. If such negotiations are unsuccessful, the City Administrator shall notify the next highest ranking acceptable Proposal and may similarly attempt to negotiate the disposition of the City Real Property Interest.~~

~~3.10.070 — **Public Hearing.** The city council shall hold a public hearing on the proposed disposition of the City Real Property Interest prior to the sale. Notice of the proposed sale shall be published in a newspaper of general circulation in the city. Prior to finalizing the sale of any City-owned real property, the City Council shall hold a public hearing in accordance with ORS 221.725.~~

~~A) The notice shall be published at least once during the week prior to the public hearing required in this section. The notice shall comply with the provisions of ORS 221.725 and shall state the time and place of the public hearing, a description of the property or interest to be sold, the proposed uses, ~~for the property~~ and the reasons why the city Council considers it necessary or convenient to sell the property. Proof of publication of the notice may be made or provided by ORS 193.070.~~

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- B) Not earlier than five days after publication of the notice, the public hearing ~~concerning the sale~~ shall be held at the stated time and place ~~stated in the notice. Nothing herein prevents the city council from holding the hearing at any regular or special meeting of the city council as part of its regular agenda.~~
- C) ~~The nature of the~~The City Council shall disclose ~~proposed sale~~ and the general terms ~~thereof, of the proposed sale~~, including an appraisal or other evidence of the market value ~~of the property, shall be fully disclosed by the city council at the public hearing.~~ Any resident of the city shall ~~be given an~~have the opportunity to ~~present written or~~provide oral ~~or written~~ testimony ~~at the hearing.~~
- D) Nothing in this section shall prevent the ~~City~~council from adopting an alternative procedure ~~for the sale of city real property, after public notice and hearing, as provided by~~consistent with ORS 221.727.

3.10.0580 **Rejection of All Proposals.** The ~~city~~Council, ~~in its sole discretion,~~ may reject any or all ~~Proposals~~offers in its sole discretion.

3.10.0690 **Continued Marketing of Real Property Interest and Sale after Rejection of All Proposals.** ~~If all Proposals are rejected, no acceptable offer is received,~~ the ~~City~~ may continue to market and sell the ~~p~~Real Property Interest in any manner the ~~City~~council deems appropriate, subject to the public hearing provisions of ~~S~~section ~~340.10.0470,~~including by and through a real estate licensee provided that:

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A) ~~Any resulting agreement of sale must be approved by the city council as required by state law.~~

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B) ~~If no agreement of sale is executed within 18 months of the publication of the first public notice of sale described in section 10.10.030 above, no agreement of sale may be accepted without again first publishing a public notice of sale and complying with the provisions of this chapter.~~

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3.10.07400 **Application of this Chapter.** This chapter ~~shall apply~~es to sales ~~and leases~~ of ~~City~~-owned real property, ~~only occurring~~ after the effective date of this ordinance.

Passed by a vote of 6 for and 0 against by the Lebanon City Council on the 27th day of ~~August~~July, ~~2020~~2025.

Michelle Steinhebel, Council President

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~~John E. Hitt~~Julie Fisher, City Recorder