

TO: City Council
FROM: Dan Smith, Director of Water Resources & Sustainability Department
DATE: August 19, 2025
SUBJECT: Real Estate Contract with LOTT for Purchase of Deschutes Valley Properties

1) Recommended Action:

Authorize the Mayor to sign the real estate contract with the LOTT Clean Water Alliance for purchase of the Deschutes Valley properties.

The real estate contract was recommended for approval under Considerations by the Public Works Committee at their June 5, 2025, regular meeting.

2) Background:

In November 2023, the Council approved a Memorandum of Understanding that initiated a process to evaluate three parcels for purchase in the Deschutes Valley declared surplus by LOTT. A feasibility analysis completed for the City by SCJ Alliance documented a variety of public uses the properties could serve, and in 2024, the City agreed to negotiate the purchase of the parcels from LOTT. Staff will review the structure of the agreement, the process used to determine a fair purchase price, and special considerations provided by LOTT and the City.

3) Policy Support:

Create and Maintain a Transportation System Safe for All Modes of Travel

- a. Implement transportation components of the Brewery District Plan.

Pursue and Support Targeted Community and Economic Development Opportunities

- a. Support the Tumwater Craft movement.
 - b. Use strategically targeted public investments to leverage private and other sources of investment.
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4) Alternatives:

- ☐ Refine or propose alternative considerations for negotiation with LOTT.
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5) Fiscal Notes:

The purchase of the three parcels will be funded by the Stormwater Fund, in support of habitat restoration along the riparian corridor of the Deschutes River, and the General Fund, in support of critical parking for City and Craft District events, and the future connection of E Street to Cleveland Avenue. The contract allows for installment payments to LOTT over six years with nominal interest totaling \$3,433,158.66, with \$2,952,516.45 provided by the General Fund (86%) and \$480,642.21 (14%) by Stormwater. LOTT has set aside funds in the amount of \$525,000.00 to aid in any unforeseen mitigation that may become necessary as the City prepares the site for public use.

6) Attachments:

A. Real Estate Contract with LOTT for purchase of Deschutes Valley Properties