

TO: City Council  
FROM: Dan Smith, Director of Water Resources & Sustainability Department  
DATE: June 5, 2025  
SUBJECT: Real Estate Contract with LOTT for Purchase of Deschutes Valley Properties

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1) Recommended Action:

Place the Real Estate Contract with the LOTT Clean Water Alliance (LOTT) for the purchase of Deschutes Valley Properties on the June 17, 2025 City Council consent calendar with a recommendation to approve and authorize the Mayor to sign.

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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 develop a real estate contract to acquire the parcels. Staff will review the structure of the agreement, outline the process to determine a fair purchase price, and review special considerations supporting LOTT and the City.

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3) Policy Support:

1. Be a Leader in Environmental Health and Sustainability
    - a. Improve overall habitat and water quality by assessing fish passages, removing obstructions, converting urban-density septic systems, and collaborating with area Tribes.
  2. Create and Maintain a Transportation System Safe for All Modes of Travel
    - a. Implement transportation components of the Brewery District Plan.
  3. 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 eventual connection of E Street to Cleveland Avenue. The contract allows the City to make installment payments to LOTT over six years with nominal interest and LOTT has set aside funds to aid in any unforeseen mitigation that may become necessary as the City prepares the site for public use.

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6) Attachments:

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