

**Lowell City Council**  
**Special Meeting Agenda**  
**Tuesday, July 13<sup>th</sup> at 6:00 P.M.**  
**Maggie Osgood Library, 70 N. Pioneer Street**

**Special Meeting Agenda**

Call to Order/Roll Call

Councilors: Mayor Bennett \_\_\_\_ Harris \_\_\_\_ Stratis \_\_\_\_ Dragt \_\_\_\_ Myers \_\_\_\_

Approval of the Agenda

New Business

1. Presentation from commercial real estate professionals regarding the marketing and sale of the City's E. Main Street property.
  - a. Presentation by Alan Evans of Evans, Elder, Brown & Seubert Inc.  
(15 minutes presentation/15 minutes City Council questions)
  - b. Presentation by Suzanne Kintzley of Campbell Commercial Real Estate  
(15 minutes presentation/15 minutes City Council questions)
2. Discussion and further action on next steps for marketing and sale of the City's E. Main Street property. Action on marketing and selling the City's E. Main Street property could include the following (see included memo for recommended motions):
  - a. Option 1 – Proceeding with competitive requests for proposals, to be executed by City staff
  - b. Option 2 – Hiring a commercial real estate professional

Other Business

3. City Councilor resignation to accept the City Clerk position.

**Adjourn**

<p>The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the City Clerk, Joyce Donnell, at 541-937-2157.</p>
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# Agenda Item Sheet

## City of Lowell City Council



Type of item:	Presentation
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**Item title/recommended action:**

Presentation from commercial real estate professionals regarding the marketing and sale of the City's E. Main Street property. This is followed by discussion and further action on next steps for marketing and sale of the City's E. Main Street property.

**Justification or background:**

See attached memo dated July 12, 2021.

**Budget impact:**

To be determined.

**Department or Council sponsor:**

Administration

**Attachments:**

Memo dated July 12, 2021, "Follow up re: methods for marketing and selling the city's E. Main St. property."

Meeting date:	07/13/2021
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City Administrator's Office  
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Email: jcaudle@ci.lowell.or.us

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**To:** Mayor Bennett and City Council  
**From:** Jeremy Caudle, City Administrator  
**Date:** Monday, July 12, 2021  
**Re:** Follow up re: methods for marketing  
and selling the city's E. Main St. property

# MEMO

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This is to provide an outline of two methods that we have discussed to market and sell the City's vacant property on E. Main Street. My goal for the July 13 special meeting is to gain consensus from City Council on how you wish to move forward.

It is my understanding from your June 1 work session:

1. You are interested in casting a wide net in search of a buyer.
2. The primary criterion that you are looking for in a buyer is someone who can develop this property in accordance with the goals of the "2019 Downtown Master Plan."
3. Having an open, competitive process is important to you so you can generate public support for whomever ends up buying the property, and so you can demonstrate that the City has done its due diligence in selling public property.

First, I summarize each method for finding a buyer. Then, I recommend a motion for approving each option. Finally, I provide a list of pros and cons associated with each method. The list of pros and cons isn't meant to be exhaustive, as I'm sure the discussion on July 13 will reveal other observations not mentioned here. Instead, the list is presented to stimulate discussion.

## **1. Option 1 - Proceeding with a competitive request for proposals method**

*Recommended motion if you choose Option 1: "Motion to direct the City Administrator to author and publicize a request for proposals for developers interested in purchasing the City's property located at E. Main Street."*

With this method, the City will prepare a request for proposals (RFP), which we will publicize. The RFP will include a timeline and list of submission requirements that all interested developers would be required to submit. As discussed at your June 1 work session, we are contemplating a 3-tiered process: First, interested developers submit a letter of intention by a certain date. Then, developers who submit a letter of intention are required to submit additional information—such as plans, proposals, information

indicating financial capacity, and so on by a deadline. For the last tier, the City rates proposals, interviews proposers, then selects a proposer and works with them on developing a plan and executing a contract.

The RFP would list the City's goals and the types of business that we would prefer to have at the site. We could market the RFP through various publications, at an additional cost.

As part of this process, the City may work with the selected developer in developing a business plan to ensure their success. Depending on the selected developer, this could be an involved process taking several months for the developer to line up financing and other details before a final contract is executed.

Pros	Cons
<ul style="list-style-type: none"><li>▪ This is a hands-on process. The City is directly involved in evaluating and selecting a developer, as well as defining the developer's plans.</li><li>▪ The process is structured with definite timelines and due dates for interested developers to submit required information.</li><li>▪ The City would not be paying commissions to real estate brokers.</li></ul>	<ul style="list-style-type: none"><li>▪ The process is labor intensive, requiring staff time to prepare the proposal, publicize it, evaluate submitted proposals, and work through contractual details. Depending on the selected proposer, staff may be heavily involved in working with the proposer on business plans, financing, and other details to ensure the business's success.</li><li>▪ There is a risk that after selecting a proposer and working with them on their business plan, and so on, the proposer backs out and the City is back where it started.</li><li>▪ The structured timeline could be an issue. It may take weeks—or even months—to line up the right developer. By having, say a 90-day timeline, we could be limiting our options.</li><li>▪ Marketing the RFP to a wide audience could be challenging, compared to working with a professional who has established leads and contacts.</li></ul>

## 2. Option 2 - Hiring a commercial real estate professional

Recommended motion if you choose Option 2: “Motion to authorize the City Administrator to sign a listing agreement with (insert company name) to market and sale the City’s property located at E. Main Street.”

With this method, a commercial real estate professional would lead the marketing and sale of this property. The professional would use their established contacts and marketing tools to cast a wide net. The professional would interact with prospective buyers and guide the City through the entire transaction of selling the property.

Pros	Cons
<ul style="list-style-type: none"><li>▪ Commercial real estate is more difficult than, say, residential real estate. It requires providing more analysis—such as market and demographic studies—to potential buyers. A commercial real estate professional can provide these services</li><li>▪ A commercial real estate professional has more tools than the City regarding the marketing of the property.</li><li>▪ Hiring a professional to handle this transaction would free up staff time and ensure that the City’s interests are being protected, especially when it comes to negotiating with buyers on the City’s behalf.</li></ul>	<ul style="list-style-type: none"><li>▪ An additional cost in terms of commissions would be required.</li><li>▪ If the City finds a buyer itself, typical listing agreements will still require the City to pay a commission.</li><li>▪ The RFP process has a definite structure and timeline dictated by the City. Hiring an agent means we must work around their timeline, especially if they are busy with other clients.</li><li>▪ Related to the point above: How hard will the agent work to market and sell the property? Will we be just one client out of many?</li></ul>

## 3. City Administrator recommendation

After weighing the pros and cons, my recommendation is for City Council to hire a commercial real estate professional (Option 2).

The E. Main Street property is the gateway to the City and Main Street. The commercial developer that we eventually select could either jumpstart development in the downtown area or hinder future growth in that area.

Selling commercial real estate is difficult and more complicated than residential real estate. By working with a professional, we can protect the City’s interest, engage the services of an expert through all stages of the transaction, and ensure we have a broad search for prospective buyers.

If City Council agrees with this approach, it will be important for us to select a professional who is eager to work with us and who will be dedicated to finding the right buyer to mitigate some of the disadvantages listed above.