



AGENDA COVER MEMO

Memorandum Date: August 28, 2025

Order Date: September 9, 2025

TO: Board of County Commissioners

DEPARTMENT: County Administration - Operations

PRESENTED BY: Kellie Hancock, Property Management Officer

AGENDA ITEM TITLE: ORDER/In the Matter of Ratifying an Extension of a Lease with Purchase Option and Approving the Purchase Option by Delegating Authority to the County Administrator to Sign Conveyance Documents for Tax Foreclosed Property located at 38534 Dexter Rd., Map and Tax Lot 19-01-08-00-03800, to Wright Lumber Inc.

I. MOTION

In the matter of ratifying an extension of a Lease with Purchase Option and approving the Purchase Option by delegating authority to the County Administrator to sign conveyance documents for tax foreclosed property located at 38534 Dexter Rd., map and tax lot 19-01-08-00-03800, to Wright Lumber Inc.

II. AGENDA ITEM SUMMARY

In October 2018, Wright Lumber Inc. began leasing real property from Lane County which was foreclosed upon for non-payment of property taxes. This property is located at 38534 Dexter Road, in Dexter, and commonly known as the Dexter Mill. In March 2019, the existing Lease Agreement was replaced with a Lease Agreement with Purchase Option. This was superseded with another Lease Agreement with Purchase Option in November 2019, with the Purchase Option expiring in October 2024. Wright Lumber was informed of back taxes due on the property in June 2024. Due to this unforeseen financial responsibility, Wright Lumber asked for a one-year extension of the Lease with Purchase Option. A formal extension was created but, due to a clerical error, was not fully executed. Staff now seeks ratification of the Extension to the Lease with Purchase Option. Wright Lumber is also ready to exercise the Purchase Option. Staff seeks approval of the purchase option by delegating authority to the County Administrator to sign all documents necessary to complete the conveyance to Wright Lumber Inc.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

This property is approximately 20 acres of land and is zoned RI – Rural Industrial. At the time of foreclosure, the Dexter Mill required extensive clean-up. Tires, trash, and trailers littered the land. Significant repairs estimated at \$250,000 had to be made to the nearby bridge to accommodate the operations of the mill. In addition to repairing the bridge for access, drainage needed to be improved on the property and power needed to be upgraded. In order to accommodate employees, a break room needed to be constructed. Wright Lumber took on the clean-up, deferred maintenance, and necessary improvements as part of their tenancy, but asked for a purchase option to be added to the lease. They also asked for a reduction in rent to compensate for the expense of the improvements. The Board approved both actions in 2019.

B. Policy Issues

ORS 275.318 Sale or lease of land located in industrial use zone; Industrial Development Revolving Fund; use of proceeds of sale. (5) The governing body of a county may sell, lease or convey the real property described in this section, including any part thereof or interest therein, at public or private sale, with or without advertisement, and do all acts necessary to the accomplishment of the sale, lease or conveyance.

C. Board Goals

By selling this property to Wright Lumber, the Board is contributing to Strategic Priority #2, Vibrant Communities.

D. Financial and/or Resource Considerations

The purchase price of \$500,000 for the property was agreed upon in 2018-2019, when necessary improvements and repairs were fully determined. The Lane County Assessor's roll in 2018 shows the real market value of the property was \$264,335. An estimate of approximately \$250,000 was given for repairs to a nearby bridge to allow safe access the property. The property was littered with dilapidated trailers, used tires and biohazardous material. Today the Lane County Assessor's 2024 real market value of the property is \$2,090,015, an 800% increase over six years. While some increase in the value of real property is expected over time, most of that increase can be attributed to tenant improvements made by Wright Lumber.

ORS 275.318 Sale or lease of land located in industrial use zone; Industrial Development Revolving Fund; use of proceeds of sale. (1) When the governing body of a county sells or leases real property acquired in any manner by the county, if that property is located in an area planned and zoned for industrial use under an acknowledged comprehensive plan of the county, the governing body may order all the moneys paid to the county under the terms of the sale be deposited with the county treasurer and credited to a special fund created by the governing body and designated the Industrial Development Revolving Fund of the county.

Following current statute, it is expected that the proceeds from this sale will be placed in an Industrial Development Revolving Fund of Lane County.

E. Health Implications

None.

F. Analysis

The current tenant, Wright Lumber Inc., has put significant time and money into restoring this property to a working lumber mill. They have been operating at the property for six years and would now like to purchase the property. The agreed upon price was negotiated with the Lease Agreement and is lower than market value due to the condition of the property and lack of access when Wright Lumber took occupancy.

G. Alternatives/Options

The following options are available to the Board:

1. Ratify the Extension to the Lease with Purchase Option and approve the sale of the property to Wright Lumber Inc. by delegating authority to the County Administrator to sign all conveyance documents necessary.
2. Reject the request to sell the property and instead continue leasing the property to the tenant.
3. Reject the request to sell the property and direct staff to negotiate a new lease with or without a purchase option with Wright Lumber, Inc.

IV. RECOMMENDATION

Staff recommends Option 1 above.

V. TIMING/IMPLEMENTATION

Immediate.

VI. FOLLOW-UP

If approved, staff will follow-up to obtain signatures and finalize the transaction.

VII. ATTACHMENTS

Board Order

Extension to the Lease with Purchase Option

Quitclaim Deed

Tax Map Aerial

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO:

IN THE MATTER OF RATIFYING AN
EXTENSION OF A LEASE WITH
PURCHASE OPTION AND APPROVING
THE PURCHASE OPTION BY DELEGATING
AUTHORITY TO THE COUNTY
ADMINISTRATOR TO SIGN CONVEYANCE
DOCUMENTS FOR TAX FORECLOSED
PROPERTY LOCATED AT 38534 DEXTER
RD., MAP AND TAX LOT 19-01-08-00-
03800, TO WRIGHT LUMBER INC.

WHEREAS, Lane County foreclosed upon and entered a judgement against the real property located at 38534 Dexter Rd., Dexter, Oregon, further identified as map and tax lot 19-01-08-00-03800, due to non-payment of property taxes; and

WHEREAS, Lane County entered into a Lease with Purchase Agreement for the property with Wright Lumber, Inc.; and

WHEREAS, Wright Lumber Inc. desires to exercise the Purchase Option on their lease and buy the property for \$500,000 from Lane County; and

WHEREAS, ORS 275.318 grants the governing body of a county power to sell, lease or convey real property acquired by any manner that is located in an area planned and zoned for industrial use at public or private sale, with or without advertisement, and do all acts necessary to the accomplishment of the sale, lease or conveyance; and

WHEREAS, the County has prepared a Quitclaim Deed to convey the above referenced property to Wright Lumber Inc.

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. The Extension to the Lease with Purchase Option is ratified, approved, and authority is delegated to the County Administrator for any necessary signatures.
2. The Purchase Option is approved, and authority is delegated to the County Administrator to sign all conveyance documents necessary to transfer ownership of the above-described property.

ADOPTED this ____ day of _____, 2025.

David Loveall, Chair
Lane County Board of Commissioners

EXTENSION #1
LEASE AGREEMENT WITH PURCHASE OPTION

This Extension to the Lease Agreement with Purchase Option ("Extension") is made and entered into effective November 1st, 2024, by and between Lane County, a political subdivision of the State of Oregon ("Landlord"), and Wright Lumber Incorporated ("Tenant"), referred to collectively in this Lease as the "Parties".

RECITALS

A. Landlord owns and Tenant is leasing the real property described as Lane County Assessor's Map # 19-0108- 00-03800 located at 38534 Dexter Road, which is further described in Exhibit A that is attached and by this reference incorporated herein.

B. Tenant has made several improvements to the Premises including but not limited to improving and increasing the capacity of the bridge on the Premises, increasing the power capacity at the Premises, improving drainage, paving and leveling, and construction of a break room on the Premises.

D. Landlord and Tenant desire to extend the term of the Lease and Purchase Option by one year, to October 31, 2025.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Extension #1 agree as follows:

TERM AND OPTION TO PURCHASE

Term. The term of the Lease is hereby extended through October 31, 2025, and may not be further extended.

Purchase Option: At any time during the term of this Extension, but no later than November 1, 2025, Tenant may purchase the Premises for Five Hundred Thousand Dollars and no cents (\$500,000.00). Tenant shall exercise its right to purchase by providing written notice to Landlord, after which no later than 30 days following delivery of the written notice to Landlord the closing of this transaction shall take place at the offices of a title and escrow company located in the Eugene-Springfield area that is selected by the parties. Each party shall pay one-half of the escrow closing fee. At closing, Landlord shall convey the Property by quitclaim deed. Effective upon closing, this Lease shall be terminated.

RENT

Rent Amount. Tenant shall pay one dollar per month (\$1.00) to Landlord, which includes exclusive use of the Premises. The month's Rent is due on before the 1st of the month. Tenant may make the rent payments in an annual amount if Tenant so chooses. Rent amount shall be mailed or delivered to:

Lane County Property Management
125 E. 8th Ave.
Eugene, Oregon 97401
Attn: Kellie Hancock

All other terms and conditions of the original Lease Agreement with Purchase Option shall remain the same.

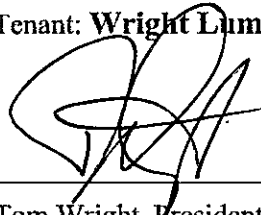
IN WITNESS WHEREOF, Landlord and Tenant have executed this Extension #1 on the dates listed below with their respective signatures.

Landlord: **Lane County**

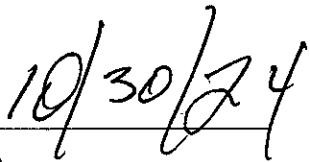
Steve Mokrohisky, County Administrator

Date

Tenant: **Wright Lumber Inc.**



Tom Wright, President



Date

EXHIBIT "A"

Legal Description for 19-01-08-00-03800, tax accounts 1421963, 142191

A parcel of land lying in the South $\frac{1}{2}$ of Section 8 and the North $\frac{1}{2}$ of Section 17, Township 19S, Range 1W of the W.M., in Lane County, Oregon, said parcel being more particularly described as follows:

Commencing at the initial point of Land Partition Plat No. 2004-P1769, said point being North $70^{\circ}01'06''$ West. 2221.79 feet from the SE corner of the John Stoops DLC No. 41, located in Section 17, Township 19S, Range 1W of the W.M., in Lane County, Oregon; run thence S 156.14 ft; thence W 550.38 ft. to the Point of Beginning, said point being the most Easterly SE corner of Parcel 1 of Lane Partition Plat No. PA 1523-85 and a point in the centerline of Lost Creek; run thence along said centerline of Lost Creek S $13^{\circ}02'00''$ E 51.97 ft; thence leaving said centerline of Lost Creek, run S $69^{\circ}00'00''$ W 234.17 ft.; thence N $48^{\circ}02'00''$ W 20.97 ft.; thence N $38^{\circ}13'00''$ W 140.79 ft.; thence S $53^{\circ}24'00''$ W 318.37 ft. to a point on the Easterly line of the Southern Pacific Railroad ROW; thence along the Easterly line of said ROW the following seven (7) courses: 1) Along the arc of a 150 ft. parallel offset spiral curve to the right, the chord of which bears N $23^{\circ}01'03''$ W 180.81 ft., and the centerline of which has an $a=0.8$ ft. and an $S=5^{\circ}37'36''$; thence 2) N $22^{\circ}34'04''$ W 291.59 ft.; thence 3) N $67^{\circ}25'56''$ E 100.00 ft.; thence 4) N $22^{\circ}34'04''$ W 550.00 ft.; thence 5) N $67^{\circ}34'04''$ W 141.42 ft.; thence 6) N $22^{\circ}34'04''$ W 350.00 ft.; thence 7) N $16^{\circ}37'10''$ W 482.48 ft.; thence leaving the Easterly line of said ROW run N $89^{\circ}12'00''$ E 44.92 ft.; thence N $89^{\circ}12'00''$ E 30.00 ft.; thence N $83^{\circ}40'00''$ E 43.70 ft.; thence S $60^{\circ}25'00''$ E 362.87 ft. to a point in the centerline of Lost Creek; thence along said centerline of Lost Creek the following five (5) courses: 1) S $35^{\circ}54'00''$ E 208.00 ft.; thence 2) S $29^{\circ}50'00''$ E 285.34 ft.; thence 3) S $38^{\circ}38'00''$ E 626.74 ft.; thence 4) S $20^{\circ}56'00''$ E 388.19 ft.; thence 5) S $13^{\circ}02'00''$ E 185.02 ft. to the Point of Beginning, in Lane County, Oregon.

After recording, return and
send tax statements to:
Wright Lumber Inc.
PO Box 170
Dexter, OR 97431

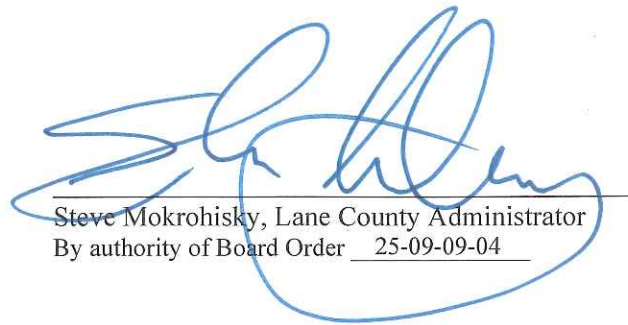
QUITCLAIM DEED

LANE COUNTY, a political subdivision of the State of Oregon, for good and valuable consideration, receipt of which is hereby acknowledged, pursuant to Order No. 25-09-09-04 of the Board of County Commissioners of Lane County, releases and quitclaims to Wright Lumber Inc., all its right, title and interest in that real property situated in Lane County, State of Oregon, described further on attached **Exhibit A**.

This property is conveyed AS-IS without covenants or warranties, subject to any municipal liens, easements, and encumbrances of record.

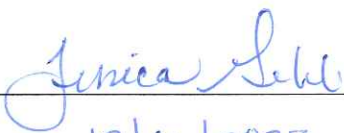
The true consideration for this conveyance is **\$500,000**

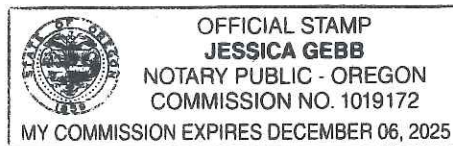
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.


Steve Mokrohisky, Lane County Administrator
By authority of Board Order 25-09-09-04

STATE OF OREGON)
) ss
COUNTY OF LANE)

The foregoing instrument was acknowledged before me on this 12th day of September, 2025, by Steve Mokrohisky, Lane County Administrator, who acknowledged such instrument to be their free and voluntary act and deed, and on oath stated that they were duly authorized to execute such instrument.

Notary Public for Oregon 
My Commission Expires 12/06/2025



1901080003800

1421971/1421963 CodeSplit

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The information on this map was derived from digital databases on the Lane County regional geographic information system. Care was taken in the creation of this map, but is provided "as is". Lane County cannot accept any responsibility for errors, omissions or positional accuracy in the digital data or the underlying records. Current plan designation, zoning, etc., for specific parcels should be confirmed with the appropriate agency. There are no warranties, expressed or implied, accompanying this product. However, notification of any errors will be appreciated.



CartoViewer Web Map

Lane County, Oregon