

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Approving the Sale of the Penumbra Kelly Building, 4747 East Burnside Street, Portland, Oregon, to the City of Portland and Authorizing County Chair to Execute Appropriate Documents to Complete the Sale.

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 06-010, dated January 19, 2006, the Multnomah County Board of Commissioners declared the Penumbra Kelly Building ("Property") surplus under the Surplus Property Policy adopted by Resolution 04-185, dated December 9, 2004.
- b. The Property is an approximately 38,000 square foot office and general use building on a 2.21 acre site. More than half (54.3%) of the Property is leased to the City of Portland ("City") for the Police Bureau's Traffic Division under a lease effective July 1, 1982, as amended ("Lease"). Absent a termination under the lease which is only available in limited situations, the City has the right to remain on site in perpetuity.
- c. The Lease no longer requires the City to pay rent as that obligation ceased several years ago. In addition, the City has a right of first refusal under the Lease to purchase the Property should the County seek to sell it. Further, should the County sell the Property and the City not exercise the right of first refusal, under the Lease the City is to receive 54.5% of any proceeds of such sale by the County.
- d. Since the Property was declared Surplus, Facilities and Property Management Division ("Facilities") and Information Technology Division ("IT") developed relocation plans for the technical services and professional staff located in the County previously occupied portion (45.7%) of the Property. Through space optimization initiatives of Facilities and IT, the majority of services and staff have been relocated to other County sites. The remaining critical program is the Data Center, scheduled to move to the East County Courthouse in Gresham, Oregon, by the end of Fiscal Year 2012.
- e. The County and the City of Portland negotiated the attached Purchase and Sale Agreement ("Agreement") and Second Amendment to Lease ("Amendment") to complete a sale of the Property on or about June 29, 2012. Under the Agreement and Amendment, City will occupy additional space at the Property while County maintains secure operation of the Data Center until the relocation.

- f. City and County negotiated a value for the Property of \$3,600,000.00, of which \$1,645,200.00 represents the purchase price for the County's 45.7% interest. The Portland City Council approved a purchase of the Property on these terms on November 16, 2011.
- g. The Department of County Assets (DCA) recommends the sale of the Property to City for \$1,645,200.00.
- h. The DCA Director and the Interim Facilities Director further recommend that the net proceeds from the sale of the Property be deposited to the Capital Improvement Fund #2507 and of that sum, \$1,470,000 be directed to the John B Yeon Building Roof Project repair and restoration work, and that the remaining sale proceeds remain in the Capital Improvement Fund.
- i. It is in the best interests of the County to sell the Property on the terms and conditions set forth in the attached Purchase and Sale Agreement and Second Amendment to Lease.

The Multnomah County Board of Commissioners Resolves:

- 1. It is in the best interests of the County to sell the Property to the City of Portland for \$1,645,200.00.
- 2. The Chair is authorized to approve terms of the sale in substantial conformance with the attached Purchase and Sale Agreement and Second Amendment to Lease and to execute all appropriate documents necessary to complete the transaction.
- 3. All net proceeds from the sale of the Property shall be deposited in the County Capital Improvement Fund #2507, with \$1,470,000 directed to the John B Yeon Building Roof Project.

ADOPTED this 23rd day of February, 2012.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:

JENNY M. MORF, ACTING COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Matthew O. Ryan, Assistant County Attorney

SUBMITTED BY: Sherry Swackhamer, Director, Department of County Assets