

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 08-162

Approving Amendment to Real Property Lease and Authorizing County Chair to Execute Further Lease Amendments with BRCP/Unico Lincoln, LLC, for the Lincoln Building, Located at 421 SW Oak Street, Portland, Oregon

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 05-018, Multnomah County leases approximately 100,000 square feet of office space ("Property Lease") located at 421 SW Oak Street, Portland, Oregon, ("Lincoln Building") under a lease commencing June 30, 2005, and expiring on April 30, 2016. Programs of the Department of County Human Services ("DCHS") and Health Department Administration are the primary tenants, along with the Information Technology Division and Non-Departmental programs.
- b. The Lincoln Building is approximately 255,000 square feet, occupying a full block in downtown Portland. The Lincoln Building serves as a major County hub. The Multnomah County Facilities Strategic Plan, adopted by Resolution 05-148, included the development and expansion of hubs and consolidation of smaller sites as an effective strategy for improving service delivery and efficiency. The Lincoln Building has proven to be a well-located, cost efficient asset in the County facility portfolio. Various options at expansion at the building, including a possible purchase, have been explored over the past two years, delaying interim space requests by County programs.
- c. By Resolution 07-145, approved August 16, 2007, the Multnomah County Board of Commissioners authorized a lease amendment in the Lincoln Building for the relocation and consolidation of DCHS' Aging and Disabilities Services ("ADS") West Office, which was subsequently delayed. In addition, DCHS' Developmental Disabilities ("DD") Program has been unable to hire a significant number of funded and needed staff due to a lack of contiguous space. Both of these programs' needs have been examined by DCHS and Facilities management for potential expansion in the Lincoln Building, including initial space planning, financial analysis, funding stability, and operational and programmatic development.
- d. Facilities and County broker representation have negotiated the attached Letter of Intent, dated December 5, 2008, with BRCP/Unico Lincoln, LLC, ("Owners") to amend the Property Lease to include an additional space of approximately 15,122 square feet in the Lincoln Building for the relocation of the ADS West Office and an expansion of the DD Program.

- e. It is in the best interests of the County to amend the Property Lease on the terms and conditions set forth in the attached Letter of Intent.

The Multnomah County Board of Commissioners Resolves:

1. The Board approves the attached Letter of Intent as the basis for a lease amendment to the Property Lease effective on or about January 1, 2009. The County Chair is authorized to execute an amendment to the Property Lease substantially conforming to the terms of the attached Letter of Intent.
2. The County Chair is authorized to execute future amendments to the Property Lease without further Board action.

ADOPTED this 18th day of December 2008.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON




Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Deputy County Attorney

SUBMITTED BY:
Carol M. Ford, Director, Dept. of County Management

CresaPartners

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December 5, 2008

Brian Pearce
Unico Properties Inc.
111 SW Fifth Avenue
Portland, OR 97204

RE: Multnomah County – Lincoln Building – Letter of Intent

Dear Brian:

On behalf of Multnomah County, I am pleased to provide you with this Letter of Intent documenting the basic terms of a lease expansion at the Lincoln Building.

LOCATION: The Lincoln Building, 421 SW Oak Street, Portland, Oregon

PREMISES: Space Option #1: Suite 250, containing approximately 6,515 rentable square feet (RSF). Please provide us the exact usable and rentable square footage of this space.

Space Option #2: Suite 175, containing approximately 7,000 – 8,000 RSF in the SW corner of the first floor. Final size shall be based upon a mutually agreeable space plan.

TERM: Through June 30, 2016. Lease shall commence upon the earlier of (i) occupancy of the Premises by Tenant, other than for Early Access as defined below, or (ii) four (4) weeks after substantial completion of the Tenant Improvements by the Landlord, or (iii) July 1, 2009.

EARLY ACCESS: Tenant shall be granted early access to the premises at least four (4) weeks before occupancy to install equipment and furnishings. Early access shall be at no charge to Tenant and shall not trigger commencement of the lease unless Tenant occupies the space for the purpose of conducting business.

BASE RENTAL: Base Rent shall be the same rent schedule as is found in existing lease.

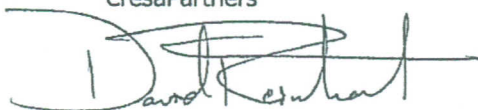
OPERATING EXPENSES: The Base Year for operating expense pass-throughs shall be the same as the existing lease.

OPTION TO EXPAND:	Tenant shall be granted a Right of First Refusal to lease additional space on the third and fourth floor for the first twelve (12) months of the Lease Term. Thereafter, Tenant shall be granted a Right of First Offer on space that becomes available on the third or fourth floor during the Lease Term. Exact terms and conditions to be determined in the Lease Document.
PARKING:	Tenant shall have the right to rent its pro-rata share of available parking spaces.
PERMITTED USE:	The premises will be used for executive, administrative and service offices as described in the existing lease.
EXTENSION OPTION:	All extension options contained in the existing lease shall apply to any newly leased space.
SPACE PLANNING & DESIGN:	In the event a lease expansion is completed, Landlord shall reimburse Tenant for the cost of preliminary space planning services in an amount not to exceed \$.15 per rentable square foot. Tenant has retained GBD Architects for this service.
TENANT IMPROVEMENTS:	<p>Landlord, at Landlord's sole cost, shall prepare Tenant's space for occupancy on a "turn-key" basis. Turn-key shall include all hard and soft costs associated with preparing the space for occupancy per mutually agreeable plans and specifications. Layout and finishes are expected to be substantially similar to Tenant's existing space in the building.</p> <p>Please see the attached preliminary plans for the 1st and 2nd floor spaces. While these have not been finalized we do not expect significant changes in the total amount of work required.</p>
PROFESSIONAL REPRESENTATION:	Landlord recognizes CresaPartners as Tenant's broker in this transaction. Landlord agrees to pay CresaPartners a fee pursuant to the Commission Agreement in place between the two parties.

DISCLAIMER:

It is to be strictly understood and agreed that this document has been submitted solely for the purpose of facilitating lease negotiations between our respective clients. No contractual obligation and no legal duty of any kind will be created by virtue of this lease terms solicitation. The issuance of this document or our client's acceptance of any counter proposal shall not be binding upon Landlord or Tenant until such time as the Lease and related documents have been fully executed and delivered by both parties, notwithstanding the performance by either party of any of the obligations which may be included in a formal lease, including the preparation of space plans, etc. and/or the expenditure by either party of time and/or money during the course of any negotiations. The County's Board of Commissioners must approve all leases prior to execution.

Sincerely,
CresaPartners



David Reinhart
Principal

Agreed on Behalf of BRCP/UNICO LINCOLN, LLC:


Sign

12/5/08
Date