



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 6/11/15
Agenda Item #: R.6
Est. Start Time: 11:10 am
Date Submitted: 6/5/15

Agenda Title: Approving Central City Concern's Sale of Part of the County-Leased CATC Facility Premises and Related Agreements.

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: June 11, 2015 **Time Needed:** 15 minutes

Department: DCHS/COO **Division:** CATC and COO

Contact(s): Neal Rotman

Phone: (503) 988-8219 **Ext.** 88219 **I/O Address:** 167/1/520 – Lincoln Bldg

Presenter

Name(s) & Marissa Madrigal, Chief Operating Officer; Ed Blackburn, Central City

Title(s): Concern; Neal Rotman, Senior Manager, DCHS;

General Information

1. What action are you requesting from the Board?

To approve Central City Concern's (CCC) sale of a portion of the premises now leased to the County for the Crisis Assessment & Treatment Center (CATC) - which is located at the southeast corner of NE Martin Luther King, Jr. Blvd and NE Couch St. - to Trinsic Residential Group (Trinsic), which also holds a contract to buy the south ½ of the block. Trinsic plans to construct and own a ¾-block mixed use project, including ground floor retail and five stories of apartments, wrapping around the CATC. In conjunction with the sale, the Board is asked to approve an amendment to the 2005 Purchase and Sale Agreement between the County and CCC regarding the CATC property.

In addition, the Board is asked to approve several negotiated agreements with the respect to the obligations of the parties during and after construction. Finally, the BCC is asked to authorize an amendment to the County lease (CATC Lease) through the approval of a Binding Letter Agreement.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The CATC is a modern, relatively new (2010-2011 construction) facility providing essential care, crisis assessment and treatment in a hospital-like setting, through a contracted service provider, Telecare. Last year, the County expanded the services to include the "Justice Triage Program" for placing criminal defendants with mental health issues at the

CATC for evaluation, as an alternative to incarceration. CCC also operates a sobering station on the building's ground floor.

The County sold the building and adjoining ¼ block to CCC in 2005 subject to the PSA for \$1 on the condition that it be used to treat people for addiction and mental health. The PSA also stipulated that, if CCC sold the building, the County would receive 50% of the sale proceeds, unless the proceeds are used to replace the facility. CCC has indicated it is to receive \$1.1 million in proceeds from the sale to Trinsic and has asked the County to agree to amend the PSA to permit CCC to use the entire sale proceeds to fund CCC's affordable housing programs. The CATC Lease presently can only be extended to 2021. The proposed Binding Letter Agreement provides for the ability to extend the lease term to 2031.

A proposed tri-party Construction Activities Reimbursement Agreement (Reimbursement Agreement) requires CCC and Trinsic each to set aside \$375,000 to reimburse the County for interference with CATC operations caused by construction. CCC, through a separate Easement and Operating Agreement (EOA) with Trinsic, commits to provide for County's staff parking, emergency access and patient drop-off, and the second story outdoor access area, through an easement grant from Trinsic over a portion of the former leased premises following its sale to Trinsic. The EOA requires the County's consent. A proposed Binding Letter Agreement between the County and Trinsic addresses additional construction requirements related to the needs of the CATC facility. Finally, CCC and Trinsic will execute a Document Production and Indemnification Agreement, which calls for CCC and Trinsic to produce, for the County's review and approval, written, final approvals and permits for building and/or development that relate to the areas described on Exhibit D, Exhibit E, Exhibit F, and Exhibit G of the EOA, prior to starting construction in those areas.

3. Explain the fiscal impact (current year and ongoing).

The Reimbursement Agreement sets aside \$750,000 to reimburse the County for potential costs incurred with respect to the CATC because of construction activities.

4. Explain any legal and/or policy issues involved.

The CATC is an Oregon Health Authority (OHA)-licensed treatment facility and subject to annual license renewals. The design and construction of the temporary and permanent outdoor patient spaces are conditioned upon OHA approval, which includes a walk-through inspection of the as-built modifications to the CATC facility.

5. Explain any citizen and/or other government participation that has or will take place.

County staff and or the other parties to the transactions have consulted with OHA, the Portland Police Bureau, Portland Bureau of Transportation, and Portland Planning on this matter.

Required Signature

Elected

Official or

Department

Director:

/s/ Marissa Madrigal, Chief
Operating Officer

Date:

June 5, 2015

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.