

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. 2015-XXX

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

The Multnomah County Board of Commissioners Finds:

- a. In 2005, the County sold its building and adjoining $\frac{1}{4}$ block at the southeast corner of NE Martin Luther King, Jr. Blvd and NE Couch St, to Central City Concern (CCC) for \$1 on the condition that it be used to treat people for addictions and mental health pursuant to a Purchase and Sale Agreement (PSA). The PSA provides for the County to share in the proceeds of the sale of the above mentioned property subject to certain conditions.
- b. Since June 2011, the County has operated a 16-bed mental health crisis and treatment center, the Crisis Assessment & Treatment Center (the CATC), through its Department of County Human Services (DCHS), occupying most of CCC's 2-story building at the above referenced location, except for CCC's sobering station on a portion of the ground floor (the CATC Space).
- c. The County had first entered to a lease with CCC for the CATC space on April 1, 2011, with the original lease term through 2018, with one 3-year option (the CATC Lease).
- d. 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.
- e. 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.
- f. CCC requested the County to approve CCC's proposed sale of the $\frac{1}{4}$ block, now used for CATC employee parking, patient drop-off and a 2nd-story outdoor access area, to Trinsic Residential Group (Trinsic), which also holds a contract to buy the south $\frac{1}{2}$ of the block. Trinsic plans to construct and own a $\frac{3}{4}$ -block mixed use project, including ground floor retail and five stories of apartments, wrapping around the CATC facility.
- g. CCC has indicated it is to receive \$1.1 million sale proceeds from the sale to Trinsic and requested that the County amend the PSA to permit CCC to use all of the sale proceeds to fund CCC's affordable housing programs.

- h. The proposed tri-party Construction Activities Reimbursement Agreement requires CCC and Trinsic each to set aside \$375,000 to reimburse the County for costs in the event any construction activities are deemed disruptive to the CATC.
- i. CCC, through a separate proposed Easement and Operating Agreement (EOA) with Trinsic, commits to provide for County's parking, emergency access and patient drop-off, and the second story outdoor facility 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.
- j. In the EOA, Trinsic will acknowledge that the CATC program includes the treatment of individuals who may at times display loud and disruptive behavior in the outdoor access area, which may be audible from the Trinsic apartments. Trinsic will waive, for itself and its successors and assigns, any claims against the County or Telecare that loud and/or disruptive behavior in the outdoor access area is objectionable activity, subject to enforcement, damages or injunctive relief, including nuisance; or any challenges or claims seeking to modify or revoke the OHA license or other regulatory approval pertaining to the CATC program. Trinsic will also agree in the EOA, for itself and its successors and assigns, not to join as a named party or finance any such nuisance claims brought by a third party, including Trinsic's residential tenants, against the County or Telecare.
- k. The proposed Binding Letter Agreement between CCC and the County will address the terms and conditions to be included in two amendments to the CATC Lease. The proposed CATC Lease First Amendment will fix the annual rent increase during the first 3-year option at 2.5% per year and will grant the County two more 5-year options with the same 2.5% per annum rent escalator, permitting the County to operate the CATC in the building through 2031.
- l. The proposed Binding Letter Agreement between the County and Trinsic requires compliance by Trinsic at all times with certain safety standards applicable to construction within the CATC.
- m. The CATC program managers have consulted with community stakeholders to improve the chances of the CATC's continued operation and viable co-existence with a multi-story apartment project on the same block.
- n. CCC and Trinsic are involved in the approval process for development and construction.

The Multnomah County Board of Commissioners Resolves:

1. Approval of the Amendment to the Purchase and Sale Agreement between CCC and the County, in substantially the form attached hereto;

2. Approval of a Tri-party Project Construction Activities Reimbursement Agreement between CCC, Trinsic and the County, in substantially the form attached hereto;
3. Approval of the County's Consent to an Easement and Operating Agreement between CCC and Trinsic, in substantially the form attached hereto;
4. Approval of a Binding Letter Agreement, in substantially the form attached hereto, between CCC and the County, addressing the terms and conditions to be included in any amendments to the CATC Lease;
5. Approval of a Binding Letter Agreement, in substantially the form attached hereto, between the County and Trinsic; and
6. Authorization for the Chair to execute the above-referenced documents, including any amendments to the CATC Lease, and any other documents deemed necessary to accommodate CCC's property sale to Trinsic, consistent with protecting the County's continued operation of the CATC Facility.
7. Provided, all of the above Resolve Clauses Numbers 1-6 and the obligations imposed thereunder on the County to execute all the various agreements and other documents are subject to CCC and Trinsic first signing the Document Production and Indemnification Agreement, in substantially the form attached hereto, 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 Easement and Operating Agreement signed by CCC, Trinsic and the County.
8. Further provided, should CCC and Trinsic fail to produce and provide to the County all of the required materials under Resolve Clause Number 7, for the County's review and approval in accordance with the Document Production and Indemnification Agreement, all authority is vested in the Chair to act under that Agreement to recover liquidated damages, obtain indemnification and pursue other recourse for the County as provided in that Agreement.

ADOPTED this 11th day of June 2015.

**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

Deborah Kafoury, Chair

REVIEWED:

**JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON**

By _____
Kenneth M. Elliott, Assistant County Attorney

**SUBMITTED BY: Marissa Madrigal – Chief Operating Officer
Neal Rotman, CATC Program Manager**