

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

RESOLUTION NO. 2016-063

Approving Intergovernmental Agreement with City Of Portland for Relinquishment of 14th & 15th Floors of the Portland Building.

The Multnomah County Board of Commissioners Finds:

- a. The City is the owner of the Portland Building (TPB), located at 1120 SW 5th Avenue, Portland, Oregon. TPB is a government office building with fifteen floors that was designed and built in 1982.
- b. Pursuant to a Sublease Agreement dated January 22, 1981 and its subsequent amendments (collectively "Sublease Agreement"), the County has a perpetual leasehold interest in the 14th and 15th floors of TPB. Under the Sublease Agreement, the County pays the proportionate share of the overall building operating and maintenance expenses for the 14th and 15th floors. Currently, the County has offices for Support Enforcement, Dispute Resolution and Tax Supervisor on the 15th floor.
- c. In 2004, the County determined that its interest in TPB was surplus.
- d. Pursuant to a Lease Agreement dated January 5, 2005 and its subsequent amendments (collectively "Lease Agreement"), the County leased to the City the 14th floor for the City's use. As part of the Lease Agreement, the City pays the County rent. Under the Lease Agreement, the City pays the County's share for building operating and maintenance expense for the 14th floor.
- e. The City has assessed certain structural and building deficiencies with TPB that require extensive renovation, including building envelope water intrusion, vulnerability in a large seismic event, and building systems at or nearing the end of their useful lives. As a result, the City is undertaking extensive planning to renovate TPB, including envelope repair/replacement, seismic upgrades, system replacements, and a full interior remodel with the goal to significantly improve the efficiency and functionality of TPB as a workplace (the "Renovation Project").
- f. In meeting the City's and the County's respective needs in light of the Renovation Project, the City and the County have determined that it would be in their best interests to transfer the County's tenancy interest to the City as provided in the IGA.
- g. The purposes of the IGA are to release and relinquish the County's perpetual leasehold interest in the 14th and 15th floors of TPB, effective July 1, 2016 (the Relinquishment Date) subject to the terms and conditions set forth in the IGA. The Sublease Agreement for the 14th and 15th floor from the City to the County and the Lease Agreement for the 14th floor from the County to the City will be terminated as of the Relinquishment Date.
- h. Starting on the Relinquishment Date, the County will continue use of the 15th floor for County offices, without any payment to the City of shared TPB operating costs, until the City gives written notice that the City Council has approved the Design-Build-Relocate (DBR) contract and the requisite bond ordinance to fund the Renovation Project. The County shall be

granted the same amount of lead time for move-out as the City Bureaus located in TPB to relocate the County's programs from TPB and vacate the 15th floor for the Renovation Project (Move-Out Date).

- i. Starting on the Relinquishment Date, the City will continue its use of the 14th floor for City purposes. No rent or other charges will be required to be paid to the County.
- j. If the City Council does not approve the DBR contract and the requisite bond ordinance for funding the Renovation Project on or before December 1, 2020, the City and the County agree to enter into negotiations regarding appropriate settlement of the County's interest in TPB.
- k. All TPB tenants, including the County, would have fiscal responsibility in the overall costs of the Renovation Project. In addition, the Renovation Project will require all tenants to relocate to other office spaces for some or all of the renovation period. The County has determined that its anticipated share of the Renovation Project may exceed the value of its perpetual leasehold interest.
- l. The IGA will relieve the County of any responsibility for the Renovation Project. The County will continue to occupy the 15th Floor and will not be charged building operating costs for its use of the 15th floor between the Relinquishment Date and the Move-Out Date.

The Multnomah County Board of Commissioners Resolves:

The Board approves and the County Chair is authorized to execute the Intergovernmental Agreement with the City of Portland for the County's relinquishment of its perpetual leasehold interest in the 14th and 15th floors of The Portland Building, in substantially the form attached hereto. Board approval is needed for any modification or amendment to the IGA that results in a material increase in the obligations of the County or a material decrease in the benefits for the County under the IGA.

ADOPTED this 16th day of June, 2016.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Deborah Kafoury

Deborah Kafoury, Chair

REVIEWED:

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

By *Kenneth M. Elliott*

Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Marissa Madrigal, Chief Operating Officer.