

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 08-039**

Approving a Lease of Real Property from American Property Management for Property Located at 10615 SE Cherry Blossom Drive, Portland, Oregon

**The Multnomah County Board of Commissioners Finds:**

- a. For over twenty years Multnomah County has leased approximately 21,610 square feet of space at the David Douglas School District (DDSD) building known as South Powellhurst for use by Aging and Disability Services (ADS). DDSD has notified Multnomah County that this space will need to be vacated June 30, 2008 due to its own space needs.
- b. Facilities and Property Management Division ("Facilities") has located a replacement site known as Cherry Blossom Plaza ("Property") which has approximately 20,822 square feet. The Property is located at 10615 SE Cherry Blossom Drive, Portland, Oregon and is located within the required service area and fulfills the needs of ADS and their partner sub-tenant program, the Immigration and Refugee Community Organization ("IRCO").
- c. The attached letter of intent has been negotiated with American Property Management and outlines major transaction points for a lease of the Property.
- d. It is in the best interests of the County to lease the Property 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 of the Property. The County Chair is authorized to execute a lease document based on the letter of intent attached to this Resolution.
2. The County Chair is authorized to execute renewals of the lease and to execute amendments to the lease without further Board action.

ADOPTED this 10th day of April 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



**Facilities and Property Management**  
**MULTNOMAH COUNTY OREGON**

401 N Dixon Street  
Portland, Oregon 97227  
(503) 988-4128

March 20, 2008

VIA E-Mail and  
US Regular Mail

Mr. Steve Root  
Ms. Marcia Reis  
AMERICAN PROPERTY MANAGEMENT CORP.  
2154 NE Broadway  
Portland, OR 97232

*3/26/08 Lessor handwritten  
changes to your counter  
proposal of March 20, 2008*

Re: Cherry Blossom Plaza  
Portland, OR

Dear Steve and Marcia:

Thank you for your response to our March 7, 2008 letter regarding the leasing of the above referenced property. We feel confident that we are close to a mutually beneficial agreement for this property. We concede to many of your requests, however, there are certain items that are unique and critical requirements needed to make a workable environment for our clients. Multnomah County's responses are shown below in red.

PREMISES:                    AGREED  
Approximately 20,822 square feet consisting of:

1 <sup>st</sup> floor office	9,143 rentable square feet
2 <sup>nd</sup> floor office	9,185 rental square feet
Annex Building	1,490 rental square feet
Storage Space	<u>1,004</u> useable square feet
	20,822

USE:                            The Premises will be used as the Aging and Disability Division of  
                                     Multnomah County.  
                                     The Premises will be used as Multnomah County service offices.

TERM:                            AGREED  
Ten (10) Year initial term to expire on June 30, 2018

RENT                            AGREED  
COMMENCEMENT: July 1, 2008

POSSESSION  
DATE:

After lease execution Lessor will provide lessee access to the Premises for communication work. Lessor's contractor will coordinate times. Lessee may begin moving in June 15, 2008, provided the Lessor is in receipt of a certificate of occupancy from the City of Portland

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OK

RENTAL RATE:

AGREED

Year 1: \$260,275.00	Year 2: \$268,083.25
Year 3: \$276,125.75	Year 4: \$284,409.52
Year 5: \$292,941.81	Year 6: \$301,730.06
Year 7: \$310,781.96	Year 8: \$320,105.42
Year 9: \$329,708.58	Year 10: \$339,599.84

The office rate shall be gross full service.

The storage rate shall not be gross full service. The Lessor shall only provide lighting. No HVAC, janitorial or power shall be provided.

The above rental rates take into account that the property will be tax exempt due to Multnomah County's occupancy. Failure to obtain the tax exemption will result in a rent increase based on the actual real property tax paid.

OPTIONS TO  
RENEW:

OK with  
handwritten  
additions

The Lessor shall provide the Lessee two (2) consecutive options to renew the Lease for successive terms of five (5) years each at the then prevailing rate. Lessee to notify Lessor in writing one hundred eighty (180) days to one hundred twenty (120) days prior to the expiration date. Base rent during option renewal periods shall be adjusted to the then prevailing market rates.

The Lessor shall provide the Lessee two (2) consecutive options to renew the Lease for successive terms of five (5) years each at the. Lessee to notify Lessor in writing one hundred eighty (180) days to one hundred twenty (120) days prior to the expiration date. Base rent during option renewal periods shall be adjusted to one hundred fifty percent (150%) of the trailing CPI for the first year of each option renewal period with a three percent (3%) increase for the remaining four (4) years of each option renewal period. *With the exception that in no event will the initial option rent be less than the preceeding years rent*

UTILITY  
ADJUSTMENT:

AGREED

Lessee shall pay as Additional Rent, one (1) time per year, lessee's proportionate share of any increase in basic utility costs for the Building. The base year will be July 1, 2008 through June 30, 2009.

RESTROOMS:

See tenant improvements below.

CURB CUT:

No curb cuts will be provided. *by the Lessor*

~~Landlord shall make best effort to obtain approval for and complete construction of one (1) curb cut along Cherry Blossom Drive for Tri-Met. Should City deny Lessor's application, Lessee shall have the right to pursue approval and construction of the improvement at Lessee's expense.~~ *NO*

PARKING:

Lessor to make available the entire Cherry Blossom Plaza parking lot. Lessor to paint two (2) handicap spaces at rear of Main Building and restripe for handicap spaces along East property line of parking lot where there is currently only one (1) and designate the existing handicap parking space in front of Annex Building for load/unload only. Striping to include parallel parking spaces along East side of Annex Building. See attached plot plan. Lessor to look at rounding out sharp corners of ramped sidewalk (see plot plan) to allow easier accessibility.

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SECURITY  
DEPOSIT:

AGREED  
None

PREPAID RENT:

AGREED  
First month's rent of \$21,689.58 to be paid upon County's delivery of a signed lease.

TENANT  
IMPROVEMENTS:

As indicated on Lessee's attached space plan marked Exhibit "B" and Lessor's attached Exhibit "C" titled Interior Space Work Agreement for Counter Proposal with the exception of:

AGREED

a. Painting – interior spaces will remain with the current color scheme recently completed.

AGREED

b. Doors being removed from hard-wall offices (marked "X" on Lessee's Exhibit "B") will have doorframes staying as-is.

c. Lessor will provide additional electrical outlets for placement of cubicles where hard-wall office are being removed based upon locations approved by Lessor. Lessee shall be responsible for voice/data outlets.

- c. Lessor will provide additional electrical ~~outlets~~ for placement of cubicles where hard-wall offices are being removed. Required placement of additional electrical outlets will be designated by Lessee once a to-scale drawing has been provided by Lessor so that placement of cubicles can be determined. *The Lessee will be responsible for wiring the workstations to the "J" boxes*

TENANT  
IMPROVEMENTS: Front of Building

AGREED

West of Building Entrance: Semi Circle pads of concrete to be placed at both trees to widen sidewalk for better accessibility, with recognition that the width may be limited by existing irrigation and slope. Lessor will provide a diagram.

East of Building Entrance: Triangular pads of concrete at both ends of the sidewalk to improve accessibility around the 2 tree sidewalk cutouts. Lessor will provide a diagram.

OK { Triangular pads of concrete at both ends of the sidewalk to improve accessibility around the 2 tree sidewalk cutouts. Lessor will provide a diagram. Hand rails at both sides of Annex Building ramp to be shortened in length for better accessibility to triangular pad added to sidewalk area. Lessor to add to diagram being provided.

Front Entrance

AGREED

Replace the one set of double doors with a wider, single door with a relight. Replacement door to be on the left side of opening.

Restrooms

*and positioned where the first toilet fixture is in the men's restroom which will be removed*

Second Floor: The current men's restroom will become an ADA/Unisex restroom and the women's will become the men's restroom. There will be no change to the plumbing fixtures (sinks, toilets, and urinals).

The current men's restroom will become an ADA/Unisex restroom and the women's will become the men's restroom. Urinal in ADA/Unisex restroom to be removed ~~and added to the men's room.~~

*The door swing will be reversed to swing out and grab bars will be added, all fixtures to remain as is.*

AGREED

First Floor: Current men's restroom will become an ADA/Unisex and the women's restroom will remain as-is. The urinal fixtures shall remain.

Annex Building Restroom: Modification is limited by the location of the exterior door. The Lessor will look at potential modification for ADA.

*modifications*  
Lessor will make Annex Building Restroom ADA compliant.

NOTE regarding Restrooms: Lessor to provide diagram of all required changes to facility restrooms.

AGREED

Note:

1. The Building plenum is a non-plenum return. The returns have ducts that go out of the building.
2. The HVAC system used in mostly roof top equipment, gas packs for heat and some split system for AC/Heat.
3. The air exchange rate is per code at installation.

Additional Items: AGREED

No drinking fountains will be provided.

ACM SURVEY:

Survey to be completed at Lessee's expense and result included in lease as an Exhibit.

OK

Lessee, at Lessee's expense, will have a certified Asbestos Inspector perform a preliminary visual site survey to identify any suspect asbestos-containing materials (ACBM's) within the space. If deemed necessary, Lessee will have the Asbestos Inspector perform non-destructive sampling on select identified suspect ACBM's.

DOOR OPENERS:

ADA door openers to be placed at Cherry Blossom Street entrance only.

OK

ADA door openers to be placed at both main entrances to the building.

LIFT:

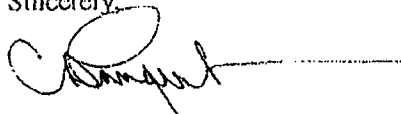
AGREED

Should Lessee have the opportunity to install a lift or elevator, at Lessee's expense, Lessor will not unreasonably decline the request. Lessee to obtain all required permitting for the project with work to be completed in a timely and professional manner. Lift or elevator will become property of Lessor at the time Lessee vacates the premises. Lessee shall be responsible for all repair and maintenance of said lift.

Any proposed lease will be subject to review of the County Attorney and any proposal made, or counteroffer accepted by me or other authorized county representative for the above referenced property is not binding on the County until and unless the Board or County Chair approves the proposed lease and it is fully executed by both parties.

If you have any additional questions, please do not hesitate to contact me at (503) 988-4128. You may fax your response to me at (503) 988-5082 or e-mail at [Carla.j.bangert@co.multnomah.or.us](mailto:Carla.j.bangert@co.multnomah.or.us). I look forward to hearing from you.

Sincerely,



Carla Bangert  
Senior Property Management Specialist  
Facilities and Property Management