

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 06-190

Approving a Land Exchange with Laurelview Condos, LLC, at the Penumbra Kelly Building, 4747 East Burnside Street, Portland, Oregon, and Authorizing County Chair to Execute Appropriate Documents to Complete an Exchange

The Multnomah County Board of Commissioners Finds:

- a. The Penumbra Kelly Building ("Property"), located at 4747 East Burnside Street, Portland, Oregon, is a 38,000 square foot office and general use building. Approximately half of the Property is perpetually leased to the City of Portland ("City") for the Police Bureau's Southeast Precinct. Multnomah County Information Technology occupies the balance of the building. In April 2005, a fifty (50) year ground lease expired for a parcel ("Ground Parcel") upon which part of the parking deck serving the Southeast Precinct is sited.
- b. In December 2005, a related entity to Laurelview Condos, LLC ("Laurelview"), purchased the Ground Parcel. In January 2006, Laurelview took possession of the Ground Parcel, including improvements thereupon, reducing the parking available for the Southeast Police Precinct by approximately 50 spaces. Multnomah County immediately transferred 17 parking spaces to the City of Portland for interim use. The reduced parking has resulted in operational inefficiencies for both the Southeast Precinct and Multnomah County Information Technology.
- c. Laurelview commenced development plans for the Ground Parcel and a land use application was filed in June 2006. In July 2006, Laurelview and County began negotiations for a long-term solution for the Property and Ground Parcel. The attached Memorandum of Understanding for a land exchange has been negotiated. Laurelview would exchange sufficient land in its Ground Parcel for County to regain all of the parking structure land and improvements in exchange for a corner parcel at the Property. This would allow the Southeast Precinct and Information Technology to regain all of their secure parking with a total reduction of fewer than ten spaces. Laurelview would have corner development parcel that it would develop, contingent upon land use approvals. At closing, the land exchange is the sole consideration.
- d. In January 2006, by Resolution 06-010, the Board declared the Property surplus. During the public comment process, strong support for the Southeast Precinct and its operations was registered. The land exchange would improve the operations of both the Southeast Precinct and Information Technology.

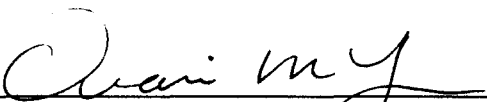
The Multnomah County Board of Commissioners Resolves:

1. It is in the best interests of the County to enter into a Land Exchange with Laurelview at the Property under the terms of the attached Memorandum of Understanding.
2. The Chair is authorized to approve terms of a binding agreement substantively consistent with the attached Memorandum of Understanding and to execute all appropriate documents necessary to complete the transaction.

ADOPTED this 30th day of November, 2006.



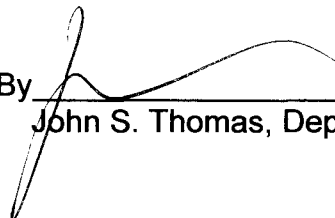
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 

John S. Thomas, Deputy County Attorney

Memorandum of Understanding
Land Exchange at the Penumbra Kelly Building Site, 47th and East Burnside

Laurelview Condos, LLC, (“Ground Parcel Owner”) and Multnomah County (“County”) issue this Memorandum of Understanding (MOU) concerning a proposed Land Exchange at the Penumbra Kelly Building Site, 47th and East Burnside, Portland Oregon. The purpose of this MOU is to clarify the understanding of the parties so that a binding agreement can be executed in a timely manner and development entitlements can be commenced.

1. Recitals:

- a. The County owns certain real property at the Penumbra Kelly Building Site (“Site”) consisting of two tax lots: Property ID R319271 (“Corner Parcel”) and R319362 (“Building Parcel”).
- b. The County operates a critical Information Technology facility at the Site.
- c. The City of Portland (“City”) has a perpetual lease dated July 1, 1982, from the County for 54.3% of the building located on the Building Parcel (“Lease”).
- d. City operates a critical public safety operation at the Site and desires to maintain the Southeast Precinct at the Site and to recover sufficient parking for the efficient, safe, and secure operation of the precinct.
- e. Ground Parcel Owner owns the site formerly leased by County and City, (Property ID R319223), which includes certain improvements related to parking used by the City for its Southeast Precinct (“Ground Parcel”).
- f. Ground Parcel Owner desires to develop the Ground Parcel, including improvements located thereon.
- g. Ground Parcel Owner has commenced design of a development on the Ground Parcel.
- h. Ground Parcel Owner has expressed a willingness to consider the exchange of the Ground Parcel for alternative development sites owned by County or City.
- i. City and County can locate no suitable alternatives, except for the Corner Parcel at the Site.
- j. It is in the best interests of Ground Parcel Owner and County to participate in an exchange of the Corner Parcel for a portion of the Ground Parcel.

k. Upon completion of the exchange the County will own the entire parking structure improvement which is leased to the City for parking for Southeast Precinct.

l. Upon completion of the exchange, the Ground Parcel Owner will have a parcel that is entitled for development to the Ground Parcel Owner's sole satisfaction.

2. Agreement

a. Land Exchange

At Closing, the County will convey to Ground Parcel Owner the Corner Parcel in exchange for a portion of the Ground Parcel that has been partitioned such that the County will be able to maintain its parking structure improvements. The County and the Ground Parcel Owner will mutually determine the partition necessary after structural and engineering investigation is completed. The anticipated configuration of the resulting parcels are depicted on Exhibit A, with the Ground Parcel shaded darker. The resulting tax lot and legal parcel consisting of the Corner Parcel and a portion of the Ground Parcel ("Corner Development Parcel", labeled "C.D.P." on attached Exhibit A) will be owned by Ground Parcel Owner. The remainder of the Ground Parcel ("Parking Parcel", labeled "P.P." on attached Exhibit A) will be owned by County.

The County and the Ground Parcel owner recognize the need to minimize any impacts upon the continuing operations of the City and the County, and the need for reasonable access to the perimeter of the Ground Parcel during development of the Corner Development Parcel. The City and the County agree to allow reasonable access and the Ground Parcel Owner agrees to minimize impacts to the City and County as much as possible.

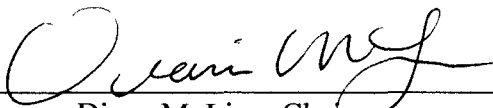
b. Closing

Ground Parcel Owner will postpone existing development plans, and will conduct due diligence for his development entitlements for the land exchange at no expense to City or County to determine the feasibility of development on the Corner Development Parcel. The County will issue a promissory note in the amount of \$10,000 as earnest money to ensure performance. The promissory note will be returned at Closing; if the Ground Parcel Owner withdraws from the Land Exchange; or the agreement is terminated as described below.

The parties acknowledge that time is of the essence. The County has the right to terminate the agreement eight (8) months after execution subject to sixty (60) day written notice. Closing will occur at a time and place agreed upon by the Ground Parcel Owner and County.

This Memorandum of Understanding is not binding on the parties, but, is a statement of the parties' intentions and is intended to serve as the basis for governmental approvals required for a binding agreement to be executed and commencement of land use entitlements.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Diane M. Linn, Chair

Date: 11/30/06

LAURELVIEW CONDOS, LLC

Kenneth Moholt-Siebert
Manager, Laurelview Condos, LLC

Date: _____

EXHIBIT A

