



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised March 2016)

Board Clerk Use Only

Meeting Date: 9/22/16
Agenda Item #: R.4
Est. Start Time: 9:40 am approx.
Date Submitted: 9/6/16

Agenda Title: Resolution Approving the Purchase of Certain Real Property from State Office Building, LLC, and Authorizing the Chair to Execute all Necessary Documents to Complete the Purchase

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: September 22, 2015 **Time Needed:** 15 minutes

Department: Chair and DCA **Division:** Facilities

Contact(s): Jon Legarza

Phone: 988-4621 **Ext.** **I/O Address:** 274/F&PM

Presenter

Name(s) & Title(s): Jon Legarza, Strategic Project Manager, Scott Taylor, Director, Department of Community Justice; Courtney Lords, Asst. County Attorney

General Information

1. What action are you requesting from the Board?

The Department of County Assets, Facilities & Property Management Division (FPM) is asking the Board of County Commissioners to (a) approve the County's purchase of 2.46 acres site with three structures located at 1245 and 1415 SE 122nd Avenue (the Property), as part of the site for the new Mid-County Department of Community Justice (DCJ) Campus, and (b) authorize the Chair to execute all documents needed to accomplish the Property purchases and to close the purchases under the terms and conditions of the Agreements for Purchase and Sale (PSAs).

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.

By Resolution 99-173, dated September 9, 1999, Multnomah County ("County") entered into a lease ("Lease") of 4,972 square feet in an office building complex located at 1245-1415 SE 122nd Avenue, Portland, Oregon owned by State Office Building, LLC, an Oregon limited liability company ("Seller"). The County has operated a Department of Community Justice ("DCJ") office at the site through a lease assignment since the transfer in 1992 of the probation and parole functions from the State of Oregon ("State") to the County.

The Lease property was a portion of the entire business complex, which consists of a 2.46-acre site with three structures located at 1245 and 1415 SE 122nd Avenue in Portland, Oregon (the "Property"). The Property is centrally located for East County public services, and the Lease has been renewed repeatedly since commencement, most recently extending the term until September 30, 2017. Until May of 2016, the State leased the remaining portions of the Property.

Multnomah County Facilities and Property Management Division ("Facilities") has been coordinating with County Departments, including DCJ, on a Facilities Asset Strategic Plan (FASP) for the future needs of County programs. The Property is located in an area of increasing demand for County services and it has been determined to have the potential to serve forecasted needs for DCJ services. Through consolidation of DJC programs, the County will be able to successfully relocate an expiring leasehold and dispose of an owned building, supporting FASP goals. Consolidation of County programs into the Property will also achieve operating efficiencies.

The Seller and Facilities entered into negotiations for a potential acquisition of the Property in late 2014. Facilities has conducted extensive due diligence as to the suitability of the Property for County use, including programming, structural, environmental and operating considerations. Facilities and contractors have established budgets for the capital improvements to adapt and renovate the Property for County use. The capital program and associated contracting will be considered under separate Resolutions.

Seller granted County a Right of First Offer to the purchase the Property that expired March 28th, 2016. In order to demonstrate to the Seller that County was negotiating the purchase of the Property in good faith, the County executed a Letter of Intent dated June 2, 2016.

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

On July 1, 2016, the County Board of Commissioners approved the one time only funds for the Mid-County Offer Program 78220-12 Fund 2512 in the amount of \$6,750,000 which will be used to purchase the property and pay for the County infrastructure improvements.

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

The Department of Community Justice is seeing a migration of post-release adult offenders migrate toward the East. The proposed acquisition provides the ability to service the community needs within Mid-County.

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

The Project Team has continued to meet regularly with the DCJ users' group and community stakeholder groups to advise them of progress and milestones achieved and the schematic programming.

Required Signature

**Elected
Official or
Department
Director:**

/s/ Sherry Swackhamer, Director,
Department of County Assets

Date:

September 6, 2016
