

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

RESOLUTION NO. 08-106

Resolution Approving a Lease of Real Property from Troutdale Partners, LLC, for Property Located at SE Dora Street and Historic Columbia River Highway, Troutdale, Oregon as the Site of the New East County Library Branch and Authorizing County Chair to Execute Appropriate Documents to Complete the Transaction

The Multnomah County Board of Commissioners Finds:

- a. Measure No. 26-81, "Renew Five-Year Local Option Levy to Continue Library Services", approved in November 2006, included a specific requirement for new library branches in North Portland and East County. Funding for operations beginning mid-year 2009, is included in the 2006 levy rate. There are separate program offers for siting leased library premises, constructing tenant improvements, purchasing computers and peripherals, and building the opening day collection.
- b. Planning for a new East County library branch in Troutdale began in early 2007. An extensive public outreach process was begun through a collaboration of the Office of Lonnie Roberts, Multnomah County Commissioner for District 4 ("Commissioner Roberts"); the Multnomah County Library ("the Library"); and, Facilities and Property Management Division ("Facilities"). Commissioner Roberts appointed a group of neighborhood residents to serve as the Troutdale Siting Committee, which convened a process of site review. In addition, Facilities conducted an extensive investigation and solicitation for potential sites throughout the commercial real estate community.
- c. Based on the work of the Troutdale Siting Committee; public comment from an October 29, 2007 community meeting; and, preliminary site negotiations by the Library and Facilities, the Multnomah County Board of Commissioners, at its December 13, 2007 Board Meeting, directed the Library and Facilities to enter into exclusive negotiations with two potential Troutdale branch sites: the Gateway Corner, (NW 257th and Historic Columbia River Highway) and the Discovery Block, (SE Dora Street and Historic Columbia River Highway).
- d. Facilities issued a Lease Terms Solicitation in February 2008 to commence formal negotiations with the two sites. Ownership of both sites were cooperative and responsive during the process. Commissioner Roberts, the Library, and Facilities determined that the Discovery Block was the recommended site for the Troutdale branch. The attached letter of intent has been negotiated with

Troutdale Partners, LLC, owners of the Discovery Block, and outlines major transaction points for a lease of the property.

- e. It is in the best interests of the County to lease the Discovery Block property on the terms and conditions set forth in the attached letter of intent.

The Multnomah County Board of Commissioners Resolves:

1. The County Chair is authorized to execute a lease document based on the letter of intent attached to this Resolution.
2. The Library and Facilities are directed to prepare and to submit to the Board as soon as practicable, the capital planning requirements for the Troutdale branch library at the Discovery Block approved in this Resolution under Multnomah County Administrative Procedure FAC-1.

ADOPTED this 17th day of July 2008.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

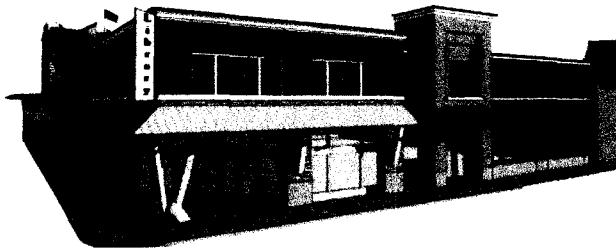

Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Deputy County Attorney

SUBMITTED BY:
Molly Raphael, Director of Libraries



DISCOVERY BLOCK
321 E Columbia River Hwy
Troutdale, OR 97060

Letter of Intent to Lease

Date:	June 27, 2008
Landlord:	Troutdale Partners, LLC
Tenant:	Multnomah County, a political subdivision of the State of Oregon.
Building:	Commercial building of approximately 31,800 rentable square feet at Block 2, Troutdale, Oregon, at the southeast corner of Dora Street and Historic Columbia River Highway. Landlord may elect to construct the building in phases, starting with the easterly portion of approximately 18,600 rentable square feet.
Premises:	Approximately 5,738 rentable square feet on the 1 st floor, of the East portion of the Building. The exact configuration of the premises will be as agreed upon, within the area marked on the attached exhibit.
Book Drop:	Landlord and Tenant will work cooperatively to design a modification of the easterly exterior wall and sidewalk to incorporate a book drop. The cost of the construction will be paid by Landlord, except for the book drop mechanism and its installation will be a Tenant improvement. Any covered area will be included in the Premises to the drip line.
Term:	Twelve Years (12) years plus two Four Year (4) Options
Commencement:	Forty (45) days after substantial completion of the base building improvements.
Base Rent:	Base Rent will be on the following schedule: Years 1-5: \$28.00 psf Years 6-10: \$30.80 psf Years 11-12: \$33.88 psf OPTION 1 Years 1-3: \$33.88 psf Year 4: \$37.27 psf

OPTION 2

Years 1-4: \$37.27 psf

Operating Expenses: The lease will be triple net, in which Tenant will pay for operating expenses including taxes, insurance, management maintenance, utilities and janitorial. Tenant is exempt from property taxes, though may be due other assessments which will be paid by Tenant.

Shell Scope and Construction: Landlord will spend \$40.00 per rentable square foot on shell improvements above and beyond a cold shell. The scope, plans and specifications for such shall be as directed by Tenant provided that all such funds are spent toward real estate vs fixtures or equipment and shall become a part of the realty.

If there is a determination that prevailing wage rates apply to the Building, the Landlord will be responsible for all obligations associated with such. Landlord represents the Building will be designed to, and will strive to attain from Green Building Council, LEED Certification in the Core & Shell category.

Tenant Improvements: Tenant will be responsible for its Tenant Improvements. The lease agreement will set forth the roles, responsibilities and approvals of each party in the designing, permitting and constructing of the improvements.

Signage: Tenant may install, at its cost, signage according to City codes and as reviewed and approved in advance by Landlord. The pre-approved signage will be an exhibit to the lease agreement.

Lease Agreement: Landlord and Tenant shall strive to execute a mutually acceptable lease agreement by August 1, 2008.

Landlord Contingencies: Landlord shall have the following contingencies:

- (i) obtaining a commitment for acceptable financing;
- (ii) closing on acquisition of the land; and
- (iii) procuring all necessary entitlements.

All contingencies shall be met by the later of October 1, 2008 or ninety (90) days after execution of the lease, or the lease may be nullified by either party.

Contacts: The single point of contact for Landlord shall be Mike Wells, and for Tenant shall be Mike Sublett.

Non-binding:

This letter of intent is incomplete by its nature. It is non-binding. Landlord and Tenant will be bound only by a fully executed lease agreement.

AGREED AND ACCEPTED

Multnomah County Library

Troutdale Partners, LLC

By: _____
Mike Sublett¹
Multnomah County Facilities

By: Mike Wells
Mike Wells
Member

Date: _____

Date: 6/20/08

¹Any 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