

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

**RESOLUTION NO. 2019-093**

Approving an Amended Lease of the Property Located at 721 SW Oak St., Portland, Oregon, for the Joint Office of Homeless Services.

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

- a. On June 21, 2018, the Board adopted Resolution 2018-068 Approving a Lease of the Property Located at 721 SW Oak St., Portland, Oregon ("Property") for siting of the offices of the Joint Office of Homeless Services (JOHS) on the first floor of the Building located on the Property.
- b. In that prior action, the Board found that the location of the Property is well-suited to meet the needs of a the JOHS program because the Property: is located three blocks west of the Five Oak Building from which the County provides community services; is across the street from the future Behavioral Health Resource Center; and is on an active bus line that will allow individuals to easily travel to appointments and services throughout the County.
- c. JOHS has a need for additional administrative space and has negotiated an expansion of the Lease to include the second floor of the Building, adding 6,732 of square feet to the leased Premises for a total of 12,955 sf ("Amended Lease"). This additional space will accommodate increases for JOHS program and data staff and allow the JOHS to house or co-locate additional staff in the future. Increasing the JOHS space also creates future opportunities to host programmatic staff from other departments or the City of Portland, in order to collaborate and more efficiently deliver homeless services to those most vulnerable in our community.
- d. Approval of the Amended Lease on terms substantially in conformance with those set forth in the amendment enclosed herewith as Exhibit 1 is in the best interests of the citizens of the County.

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

1. The County Chair is authorized to execute the Amended Lease on terms substantially in conformance with those set forth in the amendment enclosed herewith as Exhibit 1.
2. The County Chair is authorized to execute renewals of the Lease, as amended, and execute amendments thereto and other ancillary instruments necessary to effectuate the purpose and intent of the Lease without further Board action.

**ADOPTED this 31st day of October, 2019.**



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

*Deborah Kafoury*

Deborah Kafoury, Chair

REVIEWED:

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

By \_\_\_\_\_

Jed Tomkins, Senior Assistant County Attorney

Submitted by: Marc Jolin, Director, Joint Office of Homeless Services.

Amendment #1 to Office Lease  
Effective as of November 1, 2019

This Amendment #1 to Office Lease (this "Amendment #1") amends that certain office lease (the "Office Lease") executed between 721 SW Oak Street LLC, an Oregon limited liability Company (the "Landlord"), and Multnomah County, a political subdivision of the State of Oregon (the "Tenant"). The Office Lease has a reference date of July 1, 2018 and is for premises at 721 SW Oak Street Suite 100 Portland, Oregon, 97205. The Office Lease and this Amendment are collectively referred to herein as this "Amended Office Lease."

In consideration of their mutual promises and agreements herein, Landlord and Tenant hereby amend the Office Lease as follows:

1. The leased Premises are hereby expanded to include both the first and the second floor of the Building. The total Premises area will be approximately 12,955 Rentable Square feet. Tenants Proportionate Share shall be amended to be 100%. The basement of the Building is not included in the Premises.

2. Beginning November 1, 2019, Base Monthly Rent shall be as follows, payable as set forth in the Office Lease.

Period	Months	Base Rent/ SF annual rate	Monthly Base Rent
11/1/19 - 6/30/20	8	\$24.67	\$26,633.32
7/1/20 - 6/30/21	12	\$25.41	\$27,432.32
7/1/21 - 6/30/22	12	\$26.17	\$28,255.29
7/1/22 - 6/30/23	12	\$26.96	\$29,102.95
7/1/23 - 12/31/23	6	\$27.77	\$29,976.04

3. Beginning January 1, 2020, and continuing each subsequent calendar year, Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share (100%) of the amount by which Operating Expenses for the Premises increase over the calendar year 2019, using the procedures set forth in Section 19.3 of the Office Lease.

Landlord and Tenant expect that Tenant will apply for and receive an exemption for all Real Property Taxes on the Premises and underlying land. However, if Tenant does not apply for, obtain, and notify Landlord of receiving such exemption, then Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share of all Real Property Taxes for any non-tax exempt portion of the Premises and the Building's underlying land. Effective January 1 of 2020 and thereafter each year, Landlord shall estimate the amount of Real Property Taxes for the ensuing calendar year, and

Tenant shall pay each month, at the same time as Monthly Base Rent, one-twelfth (1/12) of Landlord's estimate of Tenant's Proportionate Share of Real Property Taxes, provided that Landlord may revise its estimate during any year with reasonable cause and the additional estimate shall be payable as equal additions to rent for the remainder of the calendar year. Following the end of each calendar year, or when actual tax year information becomes available, Landlord shall compute the actual real property taxes and bill Tenant for any deficiency or credit Tenant with any excess collected. Tenant shall pay any such deficiency within thirty (30) days after Landlord's billing, whether or not this Lease shall have expired or terminated at the time of such billing. The parties agree that, by operation of the provisions of this Section 3 and other terms and conditions of the Amended Office Lease, the Rent has been established to reflect the savings below market rent resulting from a determination that Tenant is exempt from paying real property taxes.

4. Tenant accepts the condition of the Premises "as-is."

5. Subject to the limitations in Section 4.3 of the Lease, Tenant shall have the right, but not the obligation, to provide signage at the building entry. Tenant shall be solely responsible for design costs, purchase and installation, maintenance and repair, and removal at lease expiration or earlier vacation of the premises. All plans and specifications shall be subject to Landlord's review and approval.

6. Tenant may rent up to one (1) monthly parking spaces in the private underground Building garage at prevailing monthly rates. Landlord reserves the right to lease any other parking spaces to the public, and pedestrian access to those parking spaces shall be through the Building lobby.

7. Tenant shall have the right to extend the term of this Amended Office Lease one time as follows: The extension shall be for an additional 36 months, and can be exercised only by giving written notice of the exercise of this right no later than 12 months and not earlier than 18 months before the expiration of this Amended Office Lease. The other terms and conditions of the extended term shall be the same as this Amended Office lease, except that:

The monthly Base Rent for the first 12 months of the extension period shall initially be set at Fair Market Value, but not less than 103% of the monthly Base Rent for the immediately preceding month under this Amended Office Lease. The Base Rent shall increase by 103% each year on the anniversary of the extended term. Additional Rent during the 36-month extension period shall be determined and charged based on the Operating Expenses in the manner prescribe in section 19.3 of the Office Lease and using the Operating Expense increases over the calendar year 2019. Fair Market Value shall

mean the fair market value of base rent for buildings of similar size and quality in the City of Portland. If the parties are unable to agree on Fair Market Value then each party shall propose a Fair Market Value for the Base Rent, and that value shall be communicated to a neutral arbitrator who shall select one of the two values. The neutral arbitrator shall be a commercial real estate broker practicing in Portland Oregon with at least 10 years of experience as a commercial real estate broker. If the parties are unable to agree on the selection of a neutral arbitrator then the parties shall ask the Presiding Judge in Multnomah County Circuit Court or a person appointed by the Presiding Judge to appoint a neutral arbitrator with the qualifications specified herein.

8. Time is of the essence in performance of the obligations of the Parties under this Amended Office Lease.

9. Except as expressly modified by this Amendment, all terms, restrictions, provisions, and obligations in the Office Lease remain unchanged. Except as expressly modified by this Amendment, words defined in the Office Lease shall have the same meaning when used in this Amendment.

10. This Amendment may not be modified except by a written agreement signed by both Landlord and Tenant. No oral agreements between the Parties shall be effective.

11. The Office Lease together with this Amendment contain the entire agreement between the parties, and any other offers or agreements, written or oral are superseded.

12. Representation; Preparation. THIS AMENDMENT WAS PREPARED AT THE DIRECTION OF LANDLORD BY LANDLORD'S LAWYER. TENANT HAS BEEN ADVISED AND HAD AN OPPORTUNITY TO SEEK INDEPENDENT COUNSEL TO REVIEW THIS AMENDMENT. THE RULE OF CONSTRUCTION THAT A WRITTEN AGREEMENT IS CONSTRUED AGAINST THE PARTY PREPARING OR DRAFTING SUCH AGREEMENT SHALL SPECIFICALLY NOT BE APPLICABLE TO THE INTERPRETATION OR ENFORCEMENT OF THIS AMENDMENT. NO REPRESENTATION OR RECOMMENDATION IS MADE BY LANDLORD, LANDLORD'S LAWYER, BOMA PORTLAND OR THE REAL ESTATE BROKERS INVOLVED IN THIS TRANSACTION CONCERNING THE LEGAL SUFFICIENCY OR TAX CONSEQUENCES ARISING FROM THIS AMENDMENT.

13. Broker Disclosures. Jeffrey A. Reingold is a Real Estate Licensee in Oregon and a member of the Landlord. Jones Lang LaSalle, hereby discloses that it

represents the Landlord in this transaction. Specifically, and for this transaction Eric Haskins represents the Landlord. Tenant is represented by CBRE. In accordance with the Oregon State Law please see the Oregon Real Estate Agency Disclosure Pamphlet:

[http://www.oregon.gov/rea/licensing/Documents/Sample\\_Initial\\_Agency\\_Disclosure\\_Pamphlet.pdf](http://www.oregon.gov/rea/licensing/Documents/Sample_Initial_Agency_Disclosure_Pamphlet.pdf) and see the attached Final Agency Acknowledgement (Exhibit E) to the Office Lease.

Agreed Effective November 1, 2019

Tenant                      Multnomah County, a political subdivision of the State of Oregon

By: \_\_\_\_\_  
Deborah Kafoury, Chair

Date: \_\_\_\_\_

Reviewed:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY

By: \_\_\_\_\_  
Jed Tomkins, Asst. County Attorney

Date: \_\_\_\_\_

Landlord                      721 SW Oak Street LLC

By \_\_\_\_\_  
Jeffrey A. Reingold as member of 721 SW Oak Street LLC