

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF OBTAINING)	RESOLUTION NO. 91-1484
APPROVAL OF A SHORT TERM LEASE)	
OF ADDITIONAL OFFICE SPACE AT)	Introduced by Rena Cusma,
1881 S.W. FRONT AVENUE)	Executive Officer
)	

WHEREAS, Metropolitan Service District Code Section 2.04.033 requires Council approval of Metro real estate transactions; and

WHEREAS, The Metro Center Building is unable to adequately accommodate the additional employees authorized in the FY 1991-92 Adopted Metro Budget; and

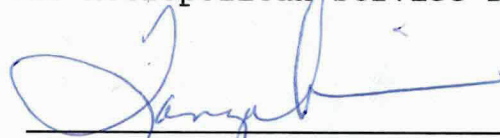
WHEREAS, Additional office space is available for lease from the Contact Lumber Company in their facility at 1881 S.W. Front Avenue, immediately adjacent to Metro Center on the north; and

WHEREAS, Funding for the leased space and the move of Metro organizational elements was added to the Metro FY 1991-92 Budget through enactment of Ordinance No. 91-390; now, therefore,

BE IT RESOLVED,

That the Metropolitan Service District enter into a lease agreement with Contact Lumber (Exhibit 1) to lease additional office space at the Contact Lumber Building, 1881 S.W. Front Avenue, Portland, Oregon.

ADOPTED by the Council of the Metropolitan Service District this 25th day of July, 1991.



Tanya Collier, Presiding Officer

EXHIBIT 1
OFFICE LEASE

This lease, made and entered into at Portland, Oregon, this 16 day of

July, 19 91, by and between Contact Lumber Company

LANDLORD:

and TENANT: Metropolitan Service District

Landlord hereby leases to Tenant the following office space located on the ground floor of approximately 8,900 sq.ft. (Northend 6,600 sq.ft. & Southend 2,300 sq. ft.). (See exhibit "A" attached). (the

Premises in the Contact Lumber building (the Building) at 1881 SW Front Avenue

Portland, Oregon, for a term commencing September 1, 19 91, or as soon as the space is ready for occupancy

and continuing through August 31, 19 92; at a Base Rental of

\$ 8,726 (U.S.) per month payable in advance on the day

of each month commencing September 1, 19 91.

Landlord and Tenant covenant and agree as follows:

1.1 Delivery of Possession Should Landlord be unable to deliver possession of the Premises on the date fixed for the commencement of the term, commencement will be deferred and Tenant shall owe no rent until notice from Landlord tendering possession to Tenant. If possession is not so tendered within 90 days following commencement of the term, then Tenant may elect to cancel this lease by notice to Landlord within 10 days following expiration of the 90-day period. Landlord shall have no liability to Tenant for delay in delivering possession, nor shall such delay extend the term of this lease in any manner.

2.1 Rent Payment Tenant shall pay the Base Rent for the Premises and any additional rent provided herein without deduction or offset. Rent for any partial month during the lease term shall be prorated to reflect the number of days during the month that Tenant occupies the Premises. Additional rent means amounts determined under paragraphs 19.1 and 19.3 of this Lease and any other sums payable by Tenant to Landlord under this Lease. Rent not paid when due shall bear interest at the rate of one-and-one-half percent per month until paid. Landlord may at its option impose a late charge of \$.05 for each \$1 of rent for rent payments made more than 10 days late in lieu of interest for the first month of delinquency, without waiving any other remedies available for default.

3.1 Lease Consideration Upon execution of the lease Tenant has paid the Base Rent for the first full month of the lease term for which rent is payable and in addition has paid the sum of \$ 8,726.00 as lease consideration. Landlord may apply the lease consideration to pay the cost of performing any obligation which Tenant fails to perform within the time required by this lease, but such application by Landlord shall not be the exclusive remedy for Tenant's default. If the lease consideration is applied by Landlord, Tenant shall on demand pay the sum necessary to replenish the lease consideration to its original amount. To the extent not applied by Landlord to cure defaults by Tenant, the lease consideration shall be applied against the rent payable for the last month of the term. The lease consideration shall not be refundable.

Please initial

Landlord Tenant

- 4.1 Use** Tenant shall use the Premises as business offices for **office use** and for no other purpose without Landlord's written consent. In connection with its use, Tenant shall at its expense promptly comply with all applicable laws, ordinances, rules and regulations of any public authority and shall not annoy, obstruct, or interfere with the rights of other tenants of the Building. Tenant shall create no nuisance nor allow any objectionable fumes, noise, or vibrations to be emitted from the Premises. Tenant shall not conduct any activities that will increase Landlord's insurance rates for any portion of the Building or that will in any manner degrade or damage the reputation of the Building.
- 4.2 Equipment** Tenant shall install in the Premises only such office equipment as is customary for general office use and shall not overload the floors or electrical circuits of the Premises or Building or alter the plumbing or wiring of the Premises or Building. Landlord must approve in advance the location and manner of installing any electrical, heat generating or communication equipment or exceptionally heavy articles. Any additional air conditioning required because of heat generating equipment or special lighting installed by Tenant shall be installed and operated at Tenant's expense.
- 4.3 Signs** No signs, awnings, antennas, or other apparatus shall be painted on or attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be visible from outside the Premises without Landlord's written approval as to design, size, location, and color. All signs installed by Tenant shall comply with Landlord's standards for signs and all applicable codes and all signs and sign hardware shall be removed upon termination of this lease with the sign location restored to its former state unless Landlord elects to retain all or any portion thereof.
- 5.1 Utilities and Services** Landlord will furnish heat, electricity, elevator service, and if the Premises are air conditioned, air conditioning during the normal Building hours of 8:00 AM to 6:00 PM, Monday through Friday, except holidays and 8:00 AM to 12:00 noon Saturdays, except holidays. Janitorial service will be provided in accordance with the regular schedule of the Building, which schedule and service may change from time to time. Tenant shall comply with all government laws or regulations regarding the use or reduction of use of utilities on the Premises. Interruption of services or utilities shall not be deemed an eviction or disturbance of Tenant's use and possession of the Premises, render Landlord liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this lease, but Landlord shall take all reasonable steps to correct any interruptions in service. Electrical service furnished will be 110 volts unless different service already exists in the Premises.
- 5.2 Extra Usage** If Tenant uses excessive amounts of utilities or services of any kind because of operation outside of normal Building hours, high demands from office machinery and equipment, nonstandard lighting, or any other cause, Landlord may impose a reasonable charge for supplying such extra utilities or services, which charge shall be payable monthly by Tenant in conjunction with rent payments. In case of dispute over any extra charge under this paragraph, Landlord shall designate a qualified independent engineer whose decision shall be conclusive on both parties. Landlord and Tenant shall each pay one-half of the cost of such determination.
- 6.1 Maintenance and Repair** Landlord shall have no liability for failure to perform required maintenance and repair unless written notice of the needed maintenance or repair is given by Tenant and Landlord fails to commence efforts to remedy the problem in a reasonable time and manner. Landlord shall have the right to erect scaffolding and other apparatus necessary for the purpose of making repairs, and Landlord shall have no liability for interference with Tenant's use because of repairs and installations. Tenant shall have no claim against Landlord for any interruption or reduction of services or interference with Tenant's occupancy, and no such interruption or reduction shall be construed as a constructive or other eviction of Tenant. Repair of damage caused by negligent or intentional acts or breach of this lease by Tenant, its employees or invitees shall be at Tenant's expense.
- 6.2 Alterations** Tenant shall not make any alterations, additions, or improvements to the Premises, change the color of the interior, or install any wall or floor covering without Landlord's prior written consent. Any such additions, alterations, or improvements, except for removable machinery and unattached movable trade fixtures, shall at once become part of the realty and belong to Landlord. Landlord may at its option require that Tenant remove any alterations and restore the Premises to the original condition upon termination of this lease. Landlord shall have the right to approve the contractor used by Tenant for any work in the Premises, and to post notices of nonresponsibility in connection with any work being performed by Tenant in the Premises.
- 7.1 Indemnity** Tenant shall not allow any liens to attach to the Building or Tenant's interest in the Premises as a result of its activities. Tenant shall indemnify and defend Landlord from any claim, liability, damage, or loss occurring on the Premises, arising out of any activity by Tenant, its agents, or invitees or resulting from Tenant's failure to comply with any term of this lease. Landlord shall have no liability to Tenant because of loss or damage caused by the acts or omissions of other Tenants of the Building, or by third parties.
- 7.2 Insurance** Tenant shall carry liability insurance with the following limits **\$1,000.00 per occurrence** which insurance shall have an endorsement naming Landlord and Landlord's agent, if any, as an insured and covering the liability insured under paragraph 7.1 of this lease. Tenant shall furnish a certificate evidencing such insurance which shall state that the coverage shall not be cancelled or materially changed without 10 days' advance notice to Landlord and Landlord's agent, if any, and a renewal certificate shall be furnished at least 10 days prior to expiration of any policy.

Please initial

8.1 Fire or Casualty

"Major Damage" means damage by fire or other casualty to the Building or the Premises which causes the Premises or any substantial portion of the Building to be unusable, or which will cost more than 25 percent of the pre-damage value of the Building to repair, or which is not covered by insurance. In case of Major Damage, Landlord may elect to terminate this lease by notice in writing to Tenant within 30 days after such date. If this lease is not terminated following Major Damage, or if damage occurs which is not Major Damage, Landlord shall promptly restore the Premises to the condition existing just prior to the damage. Tenant shall promptly restore all damage to tenant improvements or alterations installed by Tenant or pay the cost of such restoration to Landlord if Landlord elects to do the restoration of such improvements. Rent shall be reduced from the date of damage until the date restoration work being performed by Landlord is substantially complete, with the reduction to be in proportion to the area of the Premises not useable by Tenant.

8.2 Waiver of Subrogation

Tenant shall be responsible for insuring its personal property and trade fixtures located on the Premises and any alterations or tenant improvements it has made to the Premises. Neither Landlord nor Tenant shall be liable to the other for any loss or damage caused by water damage, sprinkler leakage, or any of the risks that are or could be covered by a standard all risk insurance policy with an extended coverage endorsement, or for any business interruption, and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

9.1 Eminent Domain

If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the entire Building or a portion sufficient to render the Premises unsuitable for Tenant's use, then either party may elect to terminate this lease effective on the date that possession is taken by the condemning authority. Rent shall be reduced for the remainder of the term in an amount proportionate to the reduction in area of the Premises caused by the taking. All condemnation proceeds shall belong to Landlord, and Tenant shall have no claim against Landlord or the condemnation award because of the taking.

10.1 Assignment and Subletting

This lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns, provided that Tenant shall not assign its interest under this lease or sublet all or any portion of the Premises without first obtaining Landlord's consent in writing. This provision shall apply to all transfers by operation of law including but not limited to mergers and changes in control of Tenant. No assignment shall relieve Tenant of its obligation to pay rent or perform other obligations required by this lease, and no consent to one assignment or subletting shall be a consent to any further assignment or subletting. Landlord shall not unreasonably withhold its consent to any assignment, or to subletting provided the subrental rate or effective rental paid by the assignee is not less than the current scheduled rental rate of the Building for comparable space and the proposed Tenant is compatible with Landlord's normal standards for the Building. If Tenant proposes a subletting or assignment to which Landlord is required to consent under this paragraph, Landlord shall have the option of terminating this lease and dealing directly with the proposed subtenant or assignee, or any third party. If an assignment or subletting is permitted, any cash profit, or the net value of any other consideration received by Tenant as a result of such transaction shall be paid to Landlord promptly following its receipt by Tenant. Tenant shall pay any costs incurred by Landlord in connection with a request for assignment or subletting, including reasonable attorneys' fees.

11.1 Default

Any of the following shall constitute a default by Tenant under this lease:

(a) Tenant's failure to pay rent or any other charge under this lease within 10 days after it is due, or failure to comply with any other term or condition within 20 days following written notice from Landlord specifying the noncompliance. If such noncompliance cannot be cured within the 20-day period, this provision shall be satisfied if Tenant commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to effect compliance as soon as possible. Time is of the essence of this lease.

(b) Tenant's insolvency, business failure or assignment for the benefit of its creditors. Tenant's commencement of proceedings under any provision of any bankruptcy or insolvency law or failure to obtain dismissal of any petition filed against it under such laws within the time required to answer; or the appointment of a receiver for Tenant's properties.

(c) Assignment or subletting by Tenant in violation of paragraph 10.1.

(d) Vacation or abandonment of the Premises without the written consent of Landlord.

11.2 Remedies for Default

In case of default as described in paragraph 11.1 Landlord shall have the right to the following remedies which are intended to be cumulative and in addition to any other remedies provided under applicable law:

(a) Landlord may terminate the lease and retake possession of the Premises. Following such retaking of possession, efforts by Landlord to relet the Premises shall be sufficient if Landlord follows its usual procedures for finding tenants for the space at rates not less than the current rates for other comparable space in the Building. If Landlord has other vacant space in the Building, prospective tenants may be placed in such other space without prejudice to Landlord's claim to damages or loss of rentals from Tenant.

(b) Landlord may recover all damages caused by Tenant's default which shall include an amount equal to rentals lost because of the default, lease commissions paid for this lease, and the unamortized cost of any tenant improvements installed by Landlord to meet Tenant's special requirements. Landlord may sue periodically to recover damages as they occur throughout the lease term, and no action for accrued damages shall bar a later action for damages subsequently accruing. Landlord may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the lease. Such damages shall be measured by the difference between the rent under this lease and the reasonable rental value of the Premises for the remainder of the term, discounted to the time of judgement at the prevailing interest rate on judgements.

Please initial

Landlord

Tenant

(c) Landlord may make any payment or perform any obligation which Tenant has failed to perform, in which case Landlord shall be entitled to recover from Tenant upon demand all amounts so expended, plus interest from the date of the expenditure at the rate of one-and-one-half percent per month. Any such payment or performance by Landlord shall not waive Tenant's default.

12.1 Surrender

On expiration or early termination of this lease Tenant shall deliver all keys to Landlord and surrender the Premises broom clean and in the same condition as at the commencement of the term subject only to reasonable wear from ordinary use. Tenant shall remove all of its furnishings and trade fixtures that remain its property and restore all damage resulting from such removal. Failure to remove shall be an abandonment of the property, and Landlord may dispose of it in any manner without liability. If Tenant fails to vacate the Premises when required, including failure to remove all its personal property, Landlord may elect either: (i) to treat Tenant as a tenant from month to month, subject to the provisions of this lease except that rent shall be one-and-one-half times the total rent being charged when the lease term expired; or (ii) to eject Tenant from the Premises and recover damages caused by wrongful holdover.

13.1 Regulations

Landlord shall have the right (but shall not be obligated) to make, revise and enforce regulations or policies consistent with this lease for the purpose of promoting safety, order, economy, cleanliness, and good service to all tenants of the Building. All such regulations and policies shall be complied with as if part of this lease.

14.1 Access

During times other than normal Building hours Tenant's officers and employees or those having business with Tenant may be required to identify themselves or show passes in order to gain access to the Building. Landlord shall have no liability for permitting or refusing to permit access by anyone. Landlord shall have the right to enter upon the Premises at any time by passkey or otherwise to determine Tenant's compliance with this lease, to perform necessary services, maintenance and repairs to the Building or the Premises, or to show the Premises to any prospective tenant or purchasers. Except in case of emergency such entry shall be at such times and in such manner as to minimize interference with the reasonable business use of the Premises by Tenant.

14.2 Furniture and Bulky Articles

Tenant shall move furniture and bulky articles in and out of the Building or make independent use of the elevators only at times approved by Landlord following at least 24 hours' written notice to Landlord of the intended move. Landlord will not unreasonably withhold its consent under this paragraph.

15.1 Notices

Notices between the parties relating to this lease shall be in writing, effective when delivered, or if mailed, effective on the second day following mailing, postage prepaid, to the address for the party stated in this lease or to such other address as either party may specify by notice to the other. Notice to Tenant may always be delivered to the Premises. Rent shall be payable to Landlord at the same address and in the same manner, but shall be considered paid only when received.

16.1 Subordination

This lease shall be subject and subordinate to any mortgages, deeds of trust, or land sale contracts (hereafter collectively referred to as encumbrances) now existing against the Building. At Landlord's option this lease shall be subject and subordinate to any future encumbrance hereafter placed against the Building (including the underlying land) or any modifications of existing encumbrances, and Tenant shall execute such documents as may reasonably be requested by Landlord or the holder of the encumbrance to evidence this subordination.

16.2 Transfer of Building

If the Building is sold or otherwise transferred by Landlord or any successor, Tenant shall attorn to the purchaser or transferee and recognize it as the lessor under this lease, and, provided the purchaser assumes all obligations hereunder, the transferor shall have no further liability hereunder.

16.3 Estoppels

Either party will within 20 days after notice from the other execute, acknowledge and deliver to the other party a certificate certifying whether or not this lease has been modified and is in full force and effect; whether there are any modifications or alleged breaches by the other party; the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent; and any other facts that may reasonably be requested. Failure to deliver the certificate within the specified time shall be conclusive upon the party of whom the certificate was requested that the lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate. If requested by the holder of any encumbrance, or any ground lessor, Tenant will agree to give such holder or lessor notice of and an opportunity to cure any default by Landlord under this lease.

17.1 Attorneys' Fees

In any litigation arising out of this lease, the prevailing party shall be entitled to recover attorneys' fees at trial and on any appeal.

18.1 Quiet Enjoyment

Landlord warrants that so long as Tenant complies with all terms of this lease it shall be entitled to peaceable and undisturbed possession of the Premises free from any eviction or disturbance by Landlord. Landlord shall have no liability to Tenant for loss or damages arising out of the acts of other tenants of the Building or third parties, nor any liability for any reason which exceeds the value of its interest in the Building.

Please initial

19.1 Additional Rent-Tax Adjustment Whenever for any calendar year the real property taxes levied against the Building and its underlying land (and any tax levied wholly or partially in lieu thereof) exceed those levied during the calendar year in which this lease commenced, then the monthly rental for the next succeeding calendar year shall be increased by one-twelfth of such tax increase times Tenant's proportionate share. "Real property taxes" as used herein means all taxes and assessments of any public authority against the Building and the land on which it is located and the cost of contesting any tax. If any portion of the Building is occupied by a tax-exempt tenant so that the Building has a partial tax exemption under ORS 307.112 or a similar statute, then real property taxes shall mean taxes computed as if such partial exemption did not exist. If a separate assessment or identifiable tax increase arises because of improvements to the Premises, then Tenant shall pay 100 percent of such increase.

19.2 Tenant's Proportionate Share "Tenant's proportionate share" as used herein means the area of the Premises, divided by the total area of the Building (not including basement storage space), with area determined using one of the methods of building measurement defined by the Building Owners and Managers Association (BOMA). Tenant's proportionate share as of the lease commencement date shall be _____ percent.

19.3 Additional Rent-Operating Expense Adjustment Tenant shall pay as additional rent its proportionate share, as defined in 19.2, of the amount by which operating expenses for the Building increase over those experienced by Landlord during the calendar year when this lease commenced (base year). As of January 1 of each year Landlord shall estimate the amount by which operating expenses are expected to increase, if any, over those incurred in the base year. Monthly rental for the year shall be increased by one-twelfth of Tenant's share of the estimated increase. Following the end of each calendar year, Landlord shall compute the actual increase in operating expenses and bill Tenant for any deficiency or credit Tenant with any excess collected. As used herein "operating expenses" shall mean all costs of operating and maintaining the Building as determined by standard real estate accounting practice, including, but not limited to: all water and sewer charges; the cost of steam, natural gas, electricity provided to the Building; janitorial and cleaning supplies and services; administration costs and management fees; superintendent fees; security services, if any; insurance premiums; licenses, permits for the operation and maintenance of the Building and all of its component elements and mechanical systems; the annual amortized capital improvement cost (amortized over such a period as Lessor may select but not shorter than the period allowed under the Internal Revenue Service Code and at a current market interest rate) for any capital improvements to the Building required by any governmental authority or those which have a reasonable probability of improving the operating efficiency of the Building.

20.1 Complete Agreement This lease and the attached Exhibits and Schedules, if any, constitute the entire agreement of the parties and supersede all prior written and oral agreements and representations. Neither Landlord nor Tenant is relying on any representations other than those expressly set forth herein.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this lease as of the day and year first written above.

LANDLORD: Contact Lumber Company By _____

Address for notices: 1881 SW Front Avenue Name: _____

Portland, Oregon 97201 Title: _____

Phone (503) 228-7361

TENANT: Metropolitan By _____

Service District

Address for notices: _____ Name: _____

_____ Title: _____

ADDENDUM

MODIFICATIONS, INSERTIONS AND ADDITIONAL PROVISIONS TO BE MADE A PART OF THAT CERTAIN LEASE BETWEEN CONTACT LUMBER COMPANY, AS LANDLORD and METROPOLITAN SERVICE DISTRICT, AS TENANT.

RENT SCHEDULE:

From September 1, 1991 through August 31, 1992 the sum of \$8,529 per month.

TELEPHONES:

Tenant agrees, at its expense, to provide telephone wiring into each individual suite and appropriate common areas. Tenant agrees that Landlord shall not be liable for any damages or other liability incurred by Tenant or any other parties as a result of Tenant's wiring the premises for telephones. Tenant further agrees to indemnify and hold harmless Landlord from any and all liability or claims of Tenant or others arising or resulting from Tenant's wiring of the premises for telephones.

SIGNAGE:

Tenant will provide signage which will be approved by the Landlord and at Tenant's expense.

PARKING:

Tenant shall be allowed a total of two (2) reserved off-street parking stalls at no charge.

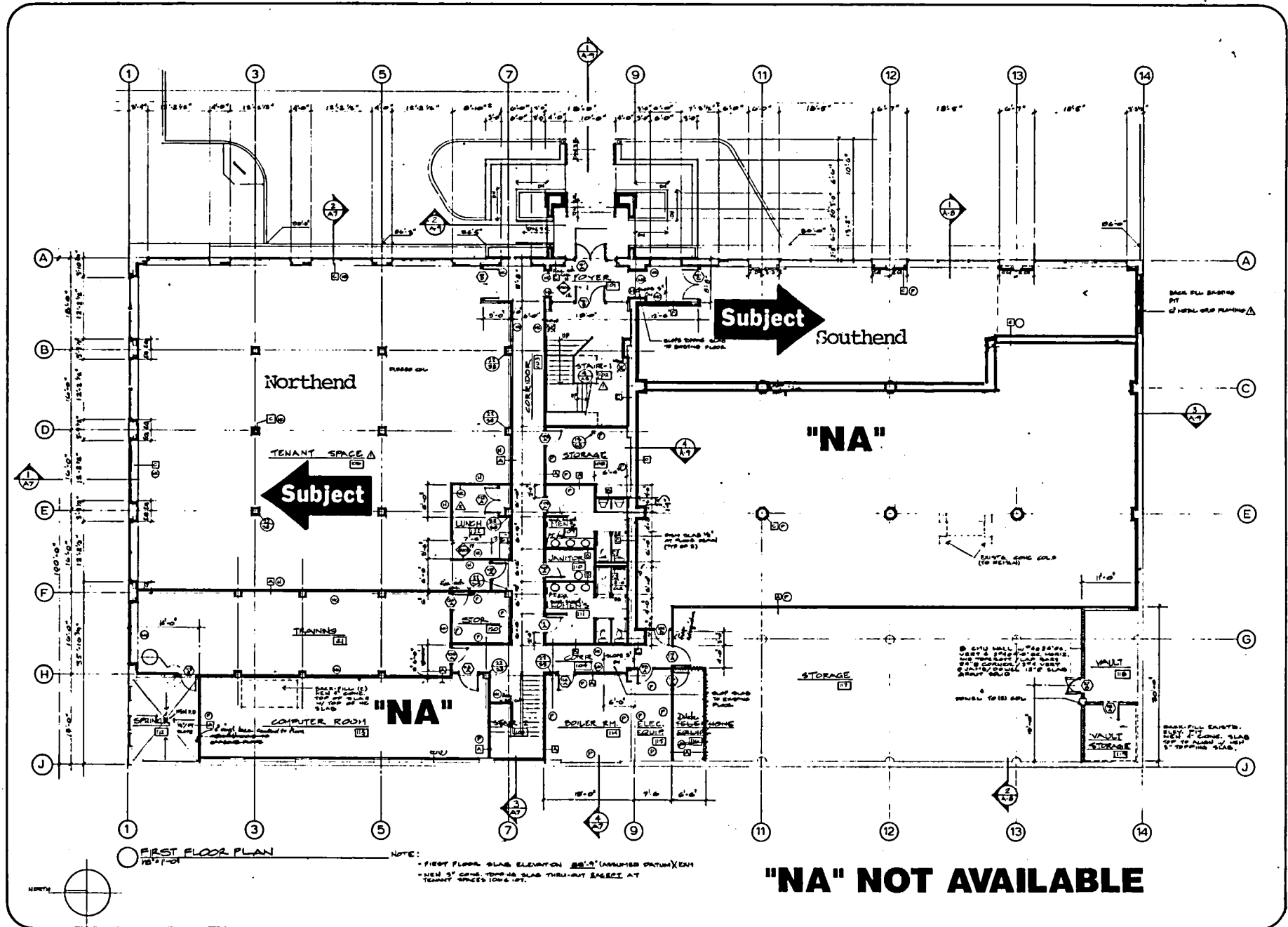
TENANT IMPROVEMENTS:

Upon execution of the Lease by all parties, Landlord shall provide the following interior improvements. Landlord agrees to build out the following Tenant Improvements at their sole cost and expense, two (2) private offices and one (1) conference room. Landlord has final approval on all additional Tenant Improvements, which will be at the Tenant's expense. Included in the stated rent is the cost to build approximately 100 linear feet of full height wall, which will separate Tenant from Landlord space in the south end of said space. The cost of the demising wall is \$2,223 which will be fully amortized over the first 12 months of the lease at 12 % interest

OPTION TO RENEW:

Tenant will have two (2) six (6) month options to renew lease provided Tenant gives Landlord three (3) months written notice. The rental rate for the option period is \$8,900 per month (\$12.00 sq.ft.) all other terms and conditions will remain the same.

EXHIBIT "A"



"NA" NOT AVAILABLE

STAFF REPORT

RESOLUTION NO. 91-1484 FOR THE PURPOSE OF OBTAINING APPROVAL OF A SHORT TERM LEASE OF ADDITIONAL OFFICE SPACE

Date: July 23, 1991

Presented by: Neil E. Saling

Background

The adopted FY 1991-92 Metro Budget increases Metro's full time equivalent (FTE) employees from 695.59 to 783.47, an increase of 87.88 FTE. Of this increase approximately 52 employees will be added to the workforce at Metro Center. The largest increases occur in Solid Waste (18), Support Services (16) Planning and Development (8) and Transportation (9). In addition, Transportation anticipates the need to accommodate at least six (6) staff members not a part of the FY 1991-92 Budget.

In conjunction with the planning for space allocation in the Sears facility, the architectural firm of BOOR/A prepared a building program based upon the Proposed FY 1991-92 Metro budget. This program determined a Metro space need of 59,315 square feet (63,350 square feet less the Day Care Center). Of this program, the Transportation Department requires 6755 square feet for its FTE staff and approximately 7700 square feet with its augmented staff.

The Metro Center building contains 42,878 square feet of useable office space. At present tenants occupy 4708 square feet, leaving 38,170 square feet of space for Metro. All tenant leases expire in January 1992. Metro Departments, in particular Solid Waste and Transportation, are currently operating under very cramped conditions.

Analysis

Metro is faced with a multi-dimensional space problem.

(1) The present Metro Center facility has inadequate useable office space to satisfy the demands of the new staff authorized in FY 1991-92.

(2) Relocation of tenants will not satisfy the Metro space needs.

(3) Relocation of tenants upon lease expiration will not provide space in a timely manner. Most new employees will be hired during the first quarter, FY 1991-92.

The departure of the tenant law firm of Eves and Wade has allowed the move of the Office of General Counsel to the fourth floor. Expansion of the Public Affairs, Personnel and Council Staff has been accommodated in the space vacated by Office of General Counsel. Planning and Development Department expansion will be accommodated through the consolidation of the office of Gregson Parker, CPA, with the law offices of Moskowitz and Thomas. The remaining demands stem from Solid Waste Department, Transportation Department, Regional Facilities Department and the Finance & Management Information Department.

It is proposed to lease approximately 8,900 square feet of office space for Metro at 1881 S.W. Front, the building immediately North of the Metro Center facility. The proposed leased office space will include two small conference areas, two enclosed offices, a kitchen/lunchroom area, restrooms and two parking spaces. All other office furnishings will be mobile, e.g. panels, desks, chairs, credenzas, etc. Cost will be \$11.50 per square foot or about \$8,500 per month (\$102,000 annually). Cost for the move of the Transportation Department to include reestablishing computer links will approximate \$60,000. These costs were provided for in the FY 1991-92 Budget through previous passage of Ordinance No. 91-390. Continued tenant occupancy could provide an offset of approximately \$25,000 over the next 12 months.

The leased space will be occupied by the Transportation Department. The space vacated by the Transportation Department will be backfilled by the Regional Facilities Department and a portion of the Solid Waste Department. The first floor space vacated by the Regional Facilities Department will be occupied by the Finance Department.

Under this scenario, the desired Metro space will not be fully met (short 12,245 square feet); however, there is potential relief from:

- (1) Move to the renovated Sears facility in approximately 18 months.
- (2) Expansion space at the proposed leased facility (5,500 square feet).
- (3) Release of tenant space in Metro Center (4,700 square feet).
- (4) Reduced conference room space.

Staff considered an alternative of "buying out" the leases of the remaining tenants. Not only was this option expensive, but it did not generate sufficient space in a timely fashion. Equivalent leased space was found available in other locations, but none in the same close proximity to Metro Center.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 91-1484.

FINANCE COMMITTEE REPORT

RESOLUTION NO. 91-1484, OBTAINING APPROVAL OF A SHORT TERM LEASE OF ADDITIONAL OFFICE SPACE.

Date: July 18, 1991

Presented by: Councilor Hansen

COMMITTEE RECOMMENDATION: At its July 18, 1991 meeting the Finance Committee voted 3-0 to recommend Council approval of Resolution No. 91-1484. Voting were Councilors Hansen, Buchanan and Devlin. Councilors Van Bergen and Wyers were excused.

COMMITTEE DISCUSSION/ISSUES: Regional Facilities Director Neil Saling presented the staff report. He described the need for additional space, outlined the costs for the move of the Transportation Department to the building immediately north of the Metro Center, and pointed out that a budget adjustment to pay for the extra leased space had already been approved by Council. He said the lease was for 12 months, with two 6-month options.

Councilor Devlin asked if the lease included any more parking. Mr. Saling said there are two parking spaces included, which are to accommodate the public - primarily for people who come to purchase maps from the Data Resource Center. Councilor Devlin asked what the price for the options would be. Mr. Saling said the increase was 50 cents per square foot (above the \$11.50/square foot in the first 12 months).