

BEFORE THE METRO COUNCIL CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING THE)
CHIEF OPERATING OFFICER TO ENTER INTO)
AN OFFICE LEASE BETWEEN METRO AND)
THE CITY OF PORTLAND, BUREAU OF)
GENERAL SERVICES, FOR THE COMMUNITY)
POLICING CENTER LOCATED AT THE)
METRO REGIONAL CENTER)

RESOLUTION NO. 04-3447

Introduced by Chief Operating Officer
Michael J. Jordan, with the concurrence of
Council President David Bragdon

WHEREAS, Metro currently rents office space in the ground floor of the Metro Regional Center to the City of Portland to house the City of Portland's Community Policing Center and the Lloyd District's Multnomah County District Attorney's office. Metro entered into a ten-year office lease with the City of Portland for this purpose in 1993, as authorized by Resolution No. 93-1843, adopted on September 23, 1993 (hereafter, "City Lease");

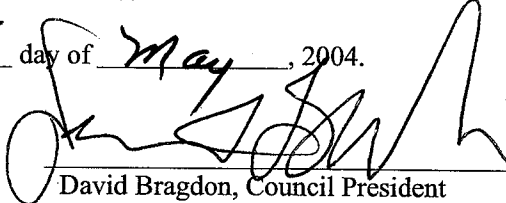
WHEREAS, the City Lease expired on September 30, 2003, and the Community Policing Center currently occupies the Metro Regional Center on a month-to-month basis;

WHEREAS, Metro and the City of Portland have proposed a new office lease agreement with an initial term through June 30, 2005, automatically renewable annually for successive one-year terms until June 30, 2009, attached hereto as Exhibit "A"; and

WHEREAS, pursuant to Metro Code Chapter 2.04.026, the Chief Operating Officer must obtain the authorization of the Metro Council prior to leasing Metro real property; now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to enter into the 2004 Office Lease attached hereto in substantial form as Exhibit "A" subject to the reciprocal and joint action by Multnomah County and the City of Portland.

ADOPTED by the Metro Council this 27th day of May, 2004.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney



**Exhibit A to Resolution No. 04-3447
Proposed 2004 Office Lease**

OFFICE LEASE

THIS LEASE made as of this _____ day of _____ 2004, between METRO, hereinafter referred to as "Landlord," whose address is 600 N.E. Grand Avenue, Portland, OR 97232-2736, and the CITY OF PORTLAND, whose address is 1120 SW 5th Avenue, Room 1204, Portland, OR 97204-1972, Attn: Property Manager, hereinafter referred to as "Tenant."

RECITALS

1. Landlord owns the Metro Regional Center Building (hereafter "Metro Building"), located at 600 NE Grand Avenue, Portland, Oregon 97232-2736 and desires to lease 1,630 square feet of office space in the southwest corner of the ground floor of the Metro Building to Tenant, as further described herein as "City Premises" attached hereto as Exhibit "A."
2. Tenant desires to lease the City Premises from Landlord.
3. The parties desire to enter into the below set forth agreement defining the terms of the Lease.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION 1. City Premises: Tenant leases from Landlord the City Premises as described in Exhibit "A."

SECTION 2. Term; Possession: The Lease Term shall commence on the date first set forth above (the "Commencement Date"), and continue through June 30, 2005 (the "Termination Date"), unless sooner terminated pursuant to the terms hereof. A "Lease Year," as such term is used herein, shall run from the Commencement Date or its anniversary ("Anniversary") until the day immediately preceding the next Anniversary. The Lease shall automatically renew for up to four successive one-year terms beginning July 1, 2005, and ending June 30, 2009 unless notice terminating the automatic renewal is provided as set forth below. No later than 180 days prior to the Termination Date, or any Anniversary thereof, Landlord and Tenant shall provide notice to each other, stating their intent to either terminate the Lease on the Termination Date or any Anniversary thereof or allow the annual automatic renewal to occur.

SECTION 3. Rent. Tenant shall pay to Landlord the Base Rent monthly for the City Premises and any Additional Rent provided herein without deduction or offset. Rent for any partial month during the term shall be prorated to reflect the number of days during the month the Tenant occupies the City Premises. "Additional Rent" means amounts determined under Section 4 of this Lease.

3.1 Base Rent. The initial Base Rent shall be \$2,758.00 per month.

3.2 Rent Escalator. The Base Rent shall be increased annually on the Anniversary of the Commencement Date, based on the following formula:

3.2.1 Using the Annual Consumer Price Index published by the United States Department of Labor for the Portland, Oregon metropolitan area for All Urban consumers, or if such index is no longer published, the nearest comparable data on changes in the cost of living for the Portland metropolitan area as selected by Landlord ("CPI"), compute the percentage increase in said index;

3.2.2 Multiply the Base Rent for the immediately preceding Lease Year by said percentage; provided, however, that, at the minimum, the Base Rent shall be increased by 2% of the preceding Lease Year's Base Rent; and

3.2.3 Add the product so obtained to the Base Rent for the immediately preceding year, with the sum to be the Base Rent for the succeeding Lease Year.

3.3 Time and Place of Payment. Base Rent and Additional Rent, including Common Area Charges, as set forth below, will be paid in advance on the first day of each month at the address for Landlord set forth in this Lease. Base Rent and Additional Rent are uniformly apportionable day to day.

SECTION 4. Utilities, Custodial, Other Charges. This is a "triple net" Lease and Tenant shall pay as Additional Rent the items set forth below. The percentage allocation of the responsibility to Tenant may be adjusted downward by Landlord in its reasonable discretion if the final proportion between the square footages of the Metro Building and the City Premises changes due to additional office space buildout by Landlord. Tenant shall pay said Additional Rent on a quarterly basis. As of the Commencement Date, the Additional Rent shall be \$1,500.00 a quarter, or \$6,000.00 annually.

4.1 Assessments: Capital Improvement Assessments. Tenant shall pay 1.5% of all assessments (excluding real property taxes), and public charges on the Metro Building and underlying real property; provided such percentage may be adjusted if the final proportionate square footages change. Assessments for the year in which the Lease commences and terminates will be prorated and adjusted for any partial year.

4.2 Utilities. Tenant shall pay 1.5% of all utilities and services on the Metro Building including electricity, gas, sewer and water, property insurance, garbage and recycling haul services. Landlord specifically reserves the right, in its reasonable discretion, to modify the applicable percentage of utility obligations of Tenant based on observations of actual relative usage of water, electricity, gas sewer, garbage, and other utility services so as to apportion the same on a more equitable basis. Landlord shall provide documentation supporting any such increases.

4.3 Common Area Charges. Tenant shall pay 1.5% of all sums expended by the Landlord for janitorial service for occupied areas and the maintenance and operation of the Common Areas, as hereafter defined, which shall include, without limitation, charges for the following: regular and periodic maintenance and repair of the City Premises and janitorial services, including window washing and carpet cleaning as set forth below herein; maintenance and repair of refuse receptacles or enclosures; maintenance and repair of the Metro Building's mechanical systems; landscaping, re-landscaping, and landscape maintenance; purchasing, installing and maintaining directional signs and other markers; repairing and replacing lighting; Metro Building security; required licenses and permits for elevators; and any other costs reasonably necessary or appropriate, in Landlord's judgment, for the maintenance and operation of the Common Areas. "Common Areas" as used herein shall be defined as: all areas of the Metro Building and the underlying real property not otherwise leased to a tenant, including, but not limited to, the breezeway and Lobby areas (including areas covered by awnings), the garbage and recycling area, all landscaped areas including those along the public streets (but excluding the parking area) and all Metro Building mechanical elements. Specifically, then, Tenant shall not be responsible for any of the charges, costs or expenses of the parking area.

4.4 Janitorial Services. Landlord shall provide janitorial services for the City Premises at the same level of service provided for the other occupied areas of the Metro Building. The current level of service is as specified in Exhibit "B."

4.5 Extraordinary Use; Extraordinary Operating Costs. The parties recognize that by virtue of extraordinary use of the City Premises by Tenant, Tenant's actual share of the Metro Building's operating costs could exceed 1.5%. Therefore, the parties agree that the above percentage is based only upon use of the City Premises during the business hours of 8:00 a.m. – 5:00 p.m. under ordinary office use conditions and employing ordinary office equipment and occasional use during or extended business hours. Tenant agrees to pay Landlord for any extraordinary use of the City Premises and any extraordinary operating costs that result, as Additional Rent within forty-five (45) days of Landlord's demand. Landlord shall provide documentation detailing said extraordinary use by Tenant, and/or supporting Landlord's extraordinary operating costs.

SECTION 5. Parking. The Tenant has the option of purchasing parking spaces in the adjacent Metro Grand and Irving Parking Garage at the then current rate. The Tenant will have no special rights or entitlements to the Parking Garage other than those, which are granted by the parking operations management. No other parking is provided under this Lease.

SECTION 6. Use. Tenant shall use the City Premises for a Community Policing Center and for no other purposes without Landlord's written consent. 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 the Metro Building occupants.

SECTION 7. Real Property Taxes. Both Landlord and Tenant are tax-exempt entities and have no responsibility for payment of real property taxes. Tenant shall hold Landlord harmless against taxes accruing on the City Premises if the nature of its use of the City Premises results in the City Premises becoming subject to real property taxation under Oregon law.

SECTION 8. Maintenance and Alterations.

8.1 Tenant's Obligations. Tenant hereby agrees to maintain and keep the City Premises as clean and safe during the entire term of this Lease as the City Premises was as of the Commencement Date. Tenant hereby agrees to replace broken or damaged interior and exterior glass in the windows and doors of the City Premises with glass of as good or better quality as that now in use and agrees to be responsible and pay for the repair or replacement of any part of the City Premises damaged as a result of the action or inaction of Tenant or its agents, independent contractors, employees, suppliers or invitees, normal wear and tear excepted.

8.2 Landlord's Obligations; Representations. Landlord shall not be required to make any alterations, additions or improvements to or upon the City Premises during the term of this Lease. Landlord agrees to maintain in good order and repair during the term of this Lease the exterior walls, roof, gutters, downspouts, structural systems and foundation of the City Premises. It is understood and agreed that Landlord reserves and at any and all times shall have the right to repair or improve the City Premises or to add thereto, and, for that purpose, at any time may erect scaffolding and other necessary structures about and upon the City Premises. In such event, Landlord and Landlord's representatives and contractors, with 24 hour written notice to Tenant, may enter in or about the Metro Building and City Premises with such materials as Landlord may deem necessary therefore. Tenant waives any claim against Landlord for damages, including disruptions of business resulting therefrom, caused by third parties not in Landlord's control, unless such third parties are under contract to or being paid for services by Landlord. To the best of Landlord's knowledge, the City Premises as delivered to Tenant on the Delivery Date will be in compliance with the structural requirements of the Americans with Disabilities Act ("ADA"). To the extent the City Premises are not so compliant, Landlord will be responsible for compliance. (This shall not reduce Tenant's obligation itself to comply with the requirements of the ADA with respect to its own leasehold improvements). Except in the case of emergency, Landlord repairs will be made subject to the capital improvements and budgetary approval of the Metro Council.

8.3 Alterations. Tenant shall not alter, add to or improve the City Premises, Metro Building or install additional electrical equipment, machinery or any signs without Landlord's prior written consent. All alterations shall be made in a good and workmanlike manner, and any alterations and fixtures, including partitions, plumbing, electrical wiring and other additions and improvements, installed by Tenant (other than trade fixtures and equipment) shall become part of the Metro Building and belong to Landlord.

8.4 Signs. Landlord will consider, in its sole discretion, allowing Tenant to place signage identifying Tenant on the Metro Building façade. Landlord's prior written approval of the proposed placement and design of Tenant signage is required prior to installation of Tenant signage. All Tenant signage shall conform to applicable local municipal codes and regulations and shall be removable without damage to the Metro Building's exterior. In any event, the signage and its installation shall be at the sole cost and expense of Tenant.

SECTION 9. Liens. Tenant shall pay as due all claims for work done on or for services rendered or material furnished to the City Premises or to the Metro Building on the City's behalf, and shall keep the City Premises and the Metro Building free from any liens other than liens created by Landlord or other tenants. However, so long as Tenant provides a surety bond sufficient to pay the claim or lien, Tenant shall not be required to pay a claim or lien which it is validly contesting and the non-payment of which does not constitute a default by Landlord under any financing against the Metro Building. If Tenant fails to provide said surety bond or pay such claim or to discharge any lien created or suffered by Tenant, Landlord may do so and collect such amount as Additional Rent. Such payment by Landlord shall not constitute a waiver of any right or remedy Landlord may have because of Tenant's default.

SECTION 10. Default by Tenant. The following shall be events of default by Tenant:

10.1 Payment Default. Failure of Tenant to make any rent or other payment under this Lease within ten (10) days after it is due. Landlord shall give Tenant notice and five (5) business days following such notice to cure such default. If Landlord has previously given Tenant notice of a failure to make the same type of payment twice in the preceding twelve (12) months, Landlord may pursue default remedies if payment is not received within ten (10) days after it is due, without notice and opportunity to cure said payment default. An interest penalty of 9% of the amount unpaid per month shall be assessed from the beginning of the month for late payments to reimburse Landlord for administration expenses related to late notices.

10.2 Unauthorized Transfer. Tenant makes any assignment or sublease of all or part of the City Premises without Landlord's prior written consent as required under Section 18.

10.3 Abandonment of City Premises. Tenant abandons the City Premises, for which purpose "abandons" means a failure by Tenant to occupy and use the City Premises for the purposes permitted under this Lease for a total of thirty (30) days or more during the Lease Term, unless such failure is allowed under Section 14 due to City Premises being untenable because of damage or destruction.

10.4 Default in Other Covenants. Failure of Tenant to comply with any other term or conditions or to fulfill any other obligations of this Lease within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. However, if the nature of Tenant's obligation is such that more than thirty (30) days are required for performance then Tenant shall not be in default if Tenant commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

SECTION 11. Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time. However, Landlord shall perform its obligations within thirty (30) days after receiving written notice from Tenant specifying where and how Landlord has failed to perform its obligations. However, if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

SECTION 12. Remedies on Default. Upon default, Landlord may terminate this Lease and exercise any one or more of the following remedies, as well as any other remedy available under applicable law:

12.1 Retake Possession. Landlord may reenter and retake possession of the City Premises either by summary proceedings, force, any other applicable action or proceeding, or otherwise, all without notice to Tenant except as may be required by law or this lease. Landlord may use the City Premises for Landlord's own purposes or relet it upon any reasonable terms without prejudice to any other remedies that Landlord may have by reason of Tenant's default. None of these actions will be deemed an acceptance of surrender by Tenant.

12.2 Damages for Default. Whether or not Landlord retakes possession or relets the City Premises, Landlord may recover all damages caused by the default (including but not limited to unpaid rent, reasonable attorneys' fees relating

to the default, and reasonable costs of reletting). Landlord may sue periodically to recover damages as they accrue during the remainder of the Lease Term without barring a later action for further damages. Landlord may at any time bring an action for accrued damages plus damages for the remaining Lease Term. However, Landlord shall have an affirmative duty to mitigate all such damages.

12.3 Cure of Tenant's Default. Without prejudice to any other remedy for default, Landlord may perform any obligation or make any payment required to cure a default by Tenant. The cost of cure, including reasonable attorneys' fees and all disbursements, shall immediately be repaid by Tenant upon demand, together with interest from the date of expenditure until fully paid at the rate of 12% per annum, but not in any event at a rate greater than the maximum rate of interest permitted by law.

SECTION 13. Surrender & Expiration.

13.1 Condition of Metro Building. Upon expiration of the Lease Term or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the City Premises in first-class condition. Depreciation and wear from ordinary use for the purpose for which the City Premises was let need not be restored, but all repairs for which Tenant is responsible' shall be completed to the latest practical date prior to such surrender.

13.2 Fixtures, Furnishings, Equipment. Upon expiration of the Lease Term, or earlier upon default, termination and twenty (20) days written notice and request for removal, Tenant shall promptly remove all of its furnishings, furniture, equipment and trade fixtures that remain the property of Tenant and reasonably restore all damage caused by such removal. If Tenant fails to effect such a removal said failure shall constitute an abandonment of the property and Landlord may retain the property and all rights of Tenant with respect to it shall cease. In the alternative, by notice in writing given to Tenant within twenty (20) days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, restoration, transportation to storage, and storage, with interest on all such expenses as provided in Section 12.3 above.

13.3 Holdover. If Tenant does not vacate the City Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month- to-month, subject to all of the provisions of this Lease (except that the term will be month-to-month and the initial Base Rent will be 150% of the amount of Base Rent being paid by Tenant at the termination or expiration of the Lease), or to eject Tenant from the City Premises and recover damages caused by wrongful holdover.

13.4 For Sale and For Rent Signs. During the period of one hundred (100) days prior to the date above provided in Section 2 for the termination of this Lease, Landlord may post in the windows of the City Premises and on the Metro Building, signs notifying the public that the City Premises are "for lease;" provided, however, that no other signs shall be located on the City Premises.

SECTION 14. Damage and Destruction.

14.1 Partial Damage. If the City Premises are partly damaged by Tenant and Section 14.2 does not apply, the City Premises shall be repaired by Tenant at Tenant's expense. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Tenant and shall be performed in accordance with the provisions of Section 8.1.

14.2 Destruction. If the City Premises are destroyed or damaged such that the cost of repair exceeds 25% of the value of the City Premises before the damage, Landlord may elect to terminate the Lease as of the date of the damage or destruction by notice given to Tenant in writing not more than 45 days following the date of damage. Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If Landlord does not elect to terminate, Landlord shall proceed to restore the City Premises to the same form as prior to the damage or

destruction, in accordance with Section 8.1, or some other form agreed upon in writing between the parties. Work shall commence as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters beyond Landlord's reasonable control.

14.3 Rent Abatement. Rent shall be abated during the repair of any damage to the extent the City Premises are untenable except that there shall be no rent abatement where the damage occurred as a result of the misconduct or sole negligence of Tenant, its officers, employees, agents and contractors.

14.4 Damage to Tenant's Property. Landlord shall not be responsible to repair or restore any damage to Tenant's property that occurs by virtue of destruction or damage to the City Premises.

SECTION 15. Hazardous Substances. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the City Premises. Tenant may only store and use on the City Premises small amounts of Hazardous Substances, to the extent customarily and ordinarily used by office tenants, such as cleaners, copier toner and supplies. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the City Premises. Upon the expiration or termination of this Lease, Tenant shall remove all Hazardous Substances from the City Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions. In addition to all other indemnities provided for by this Lease or by law, and to the extent permitted by Oregon law, Tenant shall be solely responsible for and agrees to defend (using legal counsel reasonably acceptable to Landlord), indemnify and hold harmless Landlord from and against all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, and/or penalties which may be imposed upon or claimed against Landlord and which, in whole or in part, directly or indirectly, arise from or are in any way connected with Hazardous Substances used, stored or released, by Tenant, its employees, agents or officers on the City Premises. To the extent permitted by Oregon law, this indemnification shall require Tenant to reimburse Landlord for any diminution in value of the Property or other adjacent or nearby property of Landlord, caused by Hazardous Substances, including damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, or any other property of Landlord, including damages arising from any adverse impact on marketing of land or buildings in or near the Property, including other property of Landlord.

SECTION 16. Indemnity and Insurance. To the extent permitted by Oregon law and the Oregon Tort Claims Act, ORS Chapter 30 and Oregon Constitution, Article XI, Section 9, and except to the extent caused by Landlord's negligent or intentional misconduct, the Tenant shall hold and save harmless Landlord, and indemnify, and defend its elected officials, employees, and agents from liability for actual or alleged third party claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, and/or penalties which may be imposed upon or claimed against Landlord and which, in whole or in part, directly or indirectly, arise from or are in any way connected to the use or occupancy of the City Premises by Tenant.

The Tenant shall maintain a self-insurance insurance program, which provides liability coverage for injury and property damage in accordance with the provision of ORS chapter 30.

The Tenant shall maintain "all risk" property insurance and shall be responsible for Tenant's improvements and Tenant's property.

SECTION 17. Waiver of Subrogation Rights. Anything to the contrary in this Lease notwithstanding each party hereby releases the other from any and all liability or responsibility to the other (or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to the City Premises, the Metro Building, or tangible

property thereon caused by peril which is covered by a standard "all risks," full replacement cost property insurance policy whether or not such insurance is in force or is collectible, even if such loss or damage shall have been caused by the fault or negligence of the party, its employees, officers, agents, or invitees.

Tenant shall pay for the first \$5,000 of Landlord's property insurance deductible, if it is determined that the damage to the City Premises was a result of the misconduct or sole negligence of Tenant's officers, employees or agents.

SECTION 18. Assignment and Subletting. Tenant shall not assign this Lease or further sublet all or part of the City Premises without the prior written consent of Landlord. Landlord shall not unreasonably withhold consent to any assignment or subletting provided the proposed tenant is compatible with Landlord's standards for the Metro Building and is of equivalent creditworthiness. Tenant shall guarantee the future performance of any assignees permitted hereunder. Landlord's consent in one instance shall not be deemed consent to future transfers.

SECTION 19. Attorneys' Fees. In the event of any suit or action by either party to enforce any provision of this Lease, or in any other suit or action arising out of or in connection with this Lease, the prevailing party shall be entitled to recover its costs of suit or action and reasonable attorneys' fees whether at trial or appeal.

SECTION 20. Cumulative Rights and Remedies. No right or remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other rights and remedies at law or in equity.

SECTION 21. Time of the Essence. Time is of the essence of the performance of each of the parties' obligations in this Lease.

SECTION 22. Amendments. This Lease shall not be amended or modified except by agreement in writing signed by both parties.

SECTION 23. Exhibits. Exhibit "A" and Exhibit "B" which are referred to in this Lease are attached hereto and by this reference incorporated herein.

SECTION 24. Consent of Landlord. Whenever consent, approval or direction by Landlord is required under the terms contained herein, all such consent, approval or direction must be timely, in writing and shall not be unreasonably withheld.

SECTION 25. Quiet Possession. Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the City Premises for the entire term hereof, subject to all provisions of this Lease.

SECTION 26. Section Headings. The section headings to the sections of this Lease are not part of the Lease and shall have no effect upon the construction or interpretation of any part of it.

SECTION 27. Complete Agreement. There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, advertising, agreements and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord or its agents to Tenant with respect to the subject matter of this Lease, the City Premises or the Metro Building. There are no representations between Landlord and Tenant other than those contained in this Lease and all reliance with respect to any representations is solely upon representations contained in this Lease.

SECTION 28. Third Parties. Landlord and Tenant are the only parties to this Lease and as such are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct, or indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its term.

SECTION 29. Estoppel Certificates. Within seven (7) days after Landlord's written request, Tenant shall deliver a written statement stating the date to which the rent and other charges have been paid, whether the Lease is unmodified and in full force and effect, and any other matters that may reasonably be requested by Landlord on forms provided by the Landlord.

SECTION 30. Inspection. Landlord or its authorized representatives may enter at any time to determine Tenant's compliance with this Lease, to make necessary repairs, or to show the City Premises, or Metro Building to any prospective tenants or purchasers; provided, however, that, except in the case of emergency, such entry will be: a) made only on at least 24 hours prior oral or written notice, b) during normal business hours, and c) with an employee or Tenant to accompany Landlord or its representatives.

SECTION 31. Representations. Tenant certifies that no representations as to the condition or repair of the Premises have been made by Landlord or its agents, and that no agreement to alter, repair, or improve said Premises has been made by Landlord, except as expressly set forth herein.

SECTION 32. Notices. Notices under this Lease shall be in writing, effective when delivered, or if mailed, effective on the second day after mailed postage prepaid to the address for the party set forth on page 1 of this Lease, or to such other address as either party may specify by notice to the other. Rent shall be payable to Landlord at the same address and in the same manner.

SECTION 33. Partial Invalidity. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and other provisions shall remain in full force and effect.

SECTION 34. Observance of Law. Tenant, at Tenant's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force during the term of this Lease, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alteration of the City Premises.

SECTION 35. Choice of Law and Forum. This Lease shall be governed by the laws of the State of Oregon. Any litigation arising under this Lease shall occur in Multnomah County Circuit Court, or if in the federal courts, in the United States District Court for the District of Oregon.

CITY OF PORTLAND

METRO

Ron Bergman
Director, Bureau of General Services

Michel J. Jordan, Chief Operating Officer

Date: _____

Date: _____

Exhibit A City Premises
Exhibit B Janitorial Scope of Work

Exhibit A
City Premises

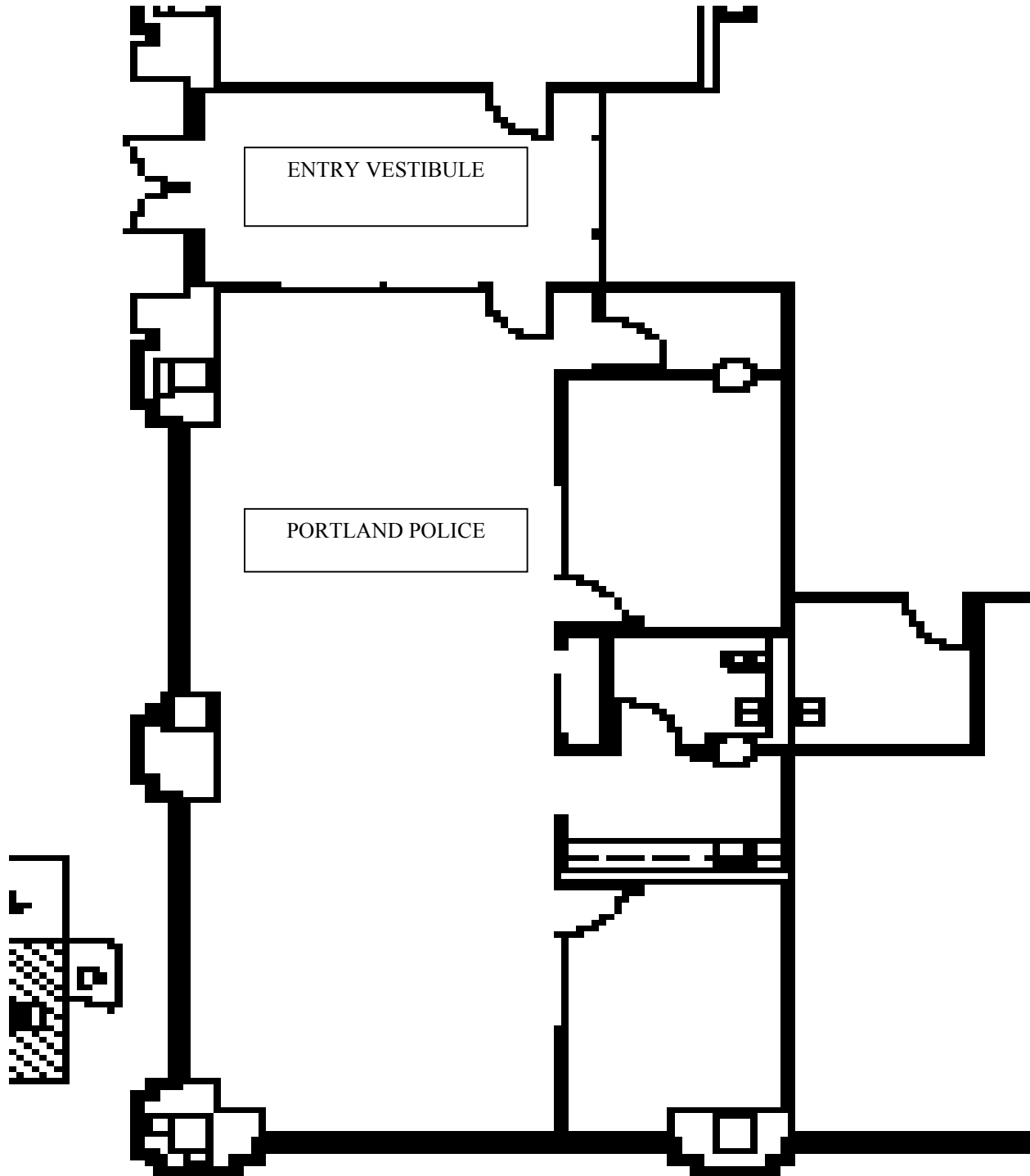


Exhibit B JANITORIAL SCOPE OF WORK

Overall Scope of Work

The Metro Regional Center, located at 600 N.E. Grand Ave., Portland, Oregon, is the headquarters for regional government for the Metro area. Offices for elected officials, Metro management and staff are located in the Metro Regional Center, and many meetings and public hearings occur at the Center.

The Center is approximately 110,000 gross sq. ft., and operates 5 to 6 days a week, 8 to 12 or more hours a day. Included in the area is a day care center of approximately 6,300 sq. ft. The Center has six stories and two below grade parking levels. Custodial services for the Center shall be as called for in the following specifications.

All work shall be performed between the hours of 5 PM and 6 AM Monday through Friday. Federal holidays excluded, unless specifically approved or requested by the Property Services Supervisor.

Nature and Extent of Service

This is a performance-based contract and the highest standards of cleanliness shall be maintained. It is the intent of these specifications that the Metro Regional Center be in a consistently clean condition. The services outlined in these specifications are to be considered as minimum requirements but in no instance are they to limit the level of cleanliness in the facility. Actual job situations may require some deviation from the written specifications and additional or extra work that may not have been specifically listed shall be included within the contract price.

Certain recycling functions will be the Contractor's responsibly. The standard for completing such tasks are described in the Cleaning Quality Definitions and Standards. Recycling materials that are generated in the Metro Building shall be collected and removed to areas designated for recycling by the Property Services Department (see Attachment B for detailed information).

The Contractor shall provide one person to provide custodial services during the normal operational hours of the facility. This person's job duty will be to perform tasks to maintain the level of service and appearance during the day. In addition to the routine tasks, it is requested that this person will perform duties as assigned by the Property Services Supervisor.

Cleaning Quality Definitions and Standards

- A. **Porcelain Ware Cleaning:** Porcelain fixtures (washbasins, urinals, toilets, etc.) Shall be clean and bright; there shall be no dust, spots, stains, rust, or mold. (Fixtures that are not maintainable shall be documented by the Contractor and submitted to Property Services.)
- B. **Servicing:** All supply dispensers shall be filled. Waste receptacles shall be emptied and sanitary napkin receptacles, emptied, cleaned, disinfected, and new bags inserted.
- C. **Spot Cleaning:** Smudges, marks, or spots shall be removed in such a manner that will not cause unsightly discoloration or other damage.
- D. **Thorough Dusting:** There shall be no dust streaks. Corners, crevices, moldings, and ledges shall be free of all dust. There shall be no oils, spots, or smudges on dusted surfaces caused by dusting tools.

- E. Plastic and Wood Furniture: Furniture shall be cleaned, sanitized and polished to maintain sanitary appearance.
- F. Damp Mopping and Spray Dusting: Floors shall be free of streaks, mop strand marks, and skipped areas. Walls, baseboards, and other surfaces shall be free of splashing and markings from the equipment. The finished area should have a uniform luster.
- G. Damp Wiping: All dirt, dust, water stains, spots, streaks, and smudges shall be removed from the surfaces.
- H. Floor Stripping: All old finish or wax shall have been removed. There shall be no evidence of gum, rust, burns or scuff-marks. There shall be no buildup in corners and crevices. Water solutions shall not be used on wood flooring.
- I. Solid Waste Collection: All solid wastes generated in the Metro Building shall be collected and removed to storage areas designated for trash by a Property Services representative.
- J. Recycling Collection: All recycling materials generated in the Metro Building shall be collected and removed to storage areas designated for recycling by a Property Services representative.
- K. Cobwebs: There shall be no cobwebs visible in public and staff areas.
- L. Damp Wiping (Mirrors and Glass surfaces): Mirrors shall be clean, free of dirt, dust, streaks and spots.
- M. Dusting: Railing, ledges, grilles, fire apparatus and doors shall be dust-free. Available horizontal surfaces shall be free of dust.
- N. Display Cases: Glass covered table and wall cases shall be free of dirt, dust, streaks, and spots inside and out.
- O. Vacuuuming: carpets, including edging and corners, shall be clean and free from dust, dirt and other debris.
- P. Telephone: Telephone receivers and cradles shall be clean and sanitized using disinfectant wipes.
- Q. Carpet Spot Cleaning: Smudges, marks, gum, spills or spots shall have been removed without causing unsightly discoloration.
- R. Waxing and Buffing: Walls, baseboards and other surfaces shall be free of finish residue and marks from equipment. Floors shall be free of streaks, mop strand marks and skipped areas. The finished area shall have a uniform luster.
- S. Cleaning Wastebaskets: Wastebaskets shall be free of dust, debris and residue, inside and out.
- T. Cleaning Wood Paneling: All Paneling shall be free of dirt, dust, streaks and spots.
- U. Finishing: Doors, walls, baseboards and other surfaces shall be free of finish residue and marks from equipment. Floors shall be free of streaks, mop strand marks and skipped areas. The finished area shall have a uniform luster.
- V. Metal Polishing: Metal surfaces shall be free of smears, stains and finger marks. They shall be clean, bright and polished to uniform luster. Bright metal surfaces shall have a polished and lustrous appearance.
- W. Glass: Shall be clean and free of dirt, grime, dust, hand marks, streaks and spots.
- X. Cleaning Thresholds: Thresholds shall be clean and free of oil, grease, dirt and grime.
- Y. Polishing: Kick plates push plates and push/pull bars and handles shall have a polished and lustrous appearance.
- Z. Sweeping, Wet Mopping or Scrubbing Stairways: Floors, steps, risers and landings shall be clean and free of dirt, water streaks, mop marks, string, gum, grease, tar, etc. and present an overall appearance of cleanliness. All surfaces shall be dry and the corners clean.
- AA. Sweeping or Dust Mopping: All areas shall be clean and free of trash, debris and foreign matter. No dirt shall be left in corners, crevices, under furniture, behind doors or where sweepings were picked up. Sweeping shall be picked up and disposed of, not swept outside.
- BB. Interior Elevator Surfaces: Floors, wall surfaces and mirrors shall be clean and free of streaks and marks.

- CC. Cleaning Elevator Floor Track: Floor tracks shall be clean and free of dirt, debris and grime.
- DD. Upholstery Cleaning: All fabric furniture and partitions shall be thoroughly vacuumed and spot cleaned to remove all loose dirt, gum and stains.
- EE. Cleaning Drinking Fountains: The stainless steel surfaces shall be clean and bright, and they shall be free of dust, spots, stains and streaks. Drinking fountains shall be kept free of trash and nozzles free from encrustation.
- FF. Venetian Blinds: Both sides of venetian blind slats shall be clean and free of dust. Cords shall be clean.
- GG. High Cleaning: Surfaces shall be clean and free of dust. Where glass is present, both sides shall be clean and free of streaks.
- HH. Wall Washing: Wall washing shall remove all soils, grease and film. It can be done by hand or with a wall washing machine. Restroom walls shall be washed with a disinfectant cleaner.
- II. Carpet Cleaning: Complete carpet cleaning (other than spot cleaning) shall consist of hot water extraction method and/or bonnet cleaning methods where applicable. Chair mats, boxes, wastebaskets and small furniture should be moved and replaced as part of this process. Contractor shall provide air blowers and dehumidifiers as needed to aid in drying process.
- JJ. CLEAN: As used in the specification, refers to the results of the process of cleaning, whereby the surface cleaned is free of soil, smudges, stuck-on adhesive materials, and where practical, is shiny to the appearance and smooth to the touch
- KK. DISINFECT: After cleaning, or as part of cleaning, use of an approved germ-killing agent applies to the surface.
- LL. DAILY: The days that Metro is open to the public. The Metro Building is generally occupied Monday through Friday, 7:00 a.m. to 10:00 p.m. by Metro staff, elected officials and visitors. The Metro Building is often occupied on Saturday for special meetings and events. With the exception of some staff members working on projects, the Center is closed on Sunday.
- MM. WEEKLY: A task, or set of tasks, to be performed no less than once per week.
- NN. MONTHLY: A task, or set of tasks, to be performed no less than once per month.
- OO. PERIODICALLY: An interval of time characterized by the occurrence of a certain action or task will occur in the contact year. Inspections will be performed to determine the frequency of need to perform a periodical job function.

Daily Tasks and Items to be Inspected for Quality Compliance

- A. OFFICES, COMMON AREAS, EXECUTIVE BREAK ROOM, GENERAL WORKSPACES, MEETING ROOMS, CORRIDORS, STAIRWAYS, ENTRANCES and ELEVATORS.
1. Empty, clean and reline waste receptacles.
 2. Dust ledges, sills, and flat surfaces below 70 inches.
 3. Dust and clean desks, chairs, tables, file counters, telephones, desk appointments and other furniture. (Do not disturb papers on desks.)
 4. Clean all entrance doors and office door glass.
 5. Spot clean door frames, walls, furniture and carpets so that they are free of hand soil, kick marks, spills and graffiti.
 6. Vacuum common area/lobby upholstered furniture as needed.
 7. Replace furniture to original setting after cleaning and vacuuming.
 8. Clean elevator, i.e., mirrors, glass, stainless steel, wood panels and doors.
 9. Collect meeting room mugs, dishware, and utensils and wash in dishwasher. Maintain adequate inventory of clean mugs, and utensils in meeting rooms.

10. Collect containers that are left with used meeting room mugs, dishware, and utensils for recycling. Empty and rinse containers as needed in the sink by dishwasher. Place emptied containers in the appropriate designated recycling receptacles located near the dishwasher (separating glass containers in one receptacle, metal and plastic containers in another receptacle, and emptied and paper containers in a paper recycling receptacle).
11. When the meeting room paper recycling receptacles become more than 50% filled, empty them into a paper recycling roll-cart or into one of the paper recycling chutes, identified on Attachment B.
12. When collection receptacles for container recycling, including separate receptacles for glass containers and for mixed containers (metal and plastic), become more than 50% filled, empty them into the appropriate designated central recycling receptacle at the loading dock, provided that all container collection receptacles must be emptied at least once per week even if not more than 50% filled. All container collection receptacles are identified on Attachment B to the contract.

B. REST ROOMS, LOUNGES, SHOWERS, LOCKER ROOMS

1. Clean and disinfect all sinks, toilets, urinals, water closets, showers, drains, floor drains, faucets, toilet seats and walls.
2. Clean, disinfect, and polish all metal work and mirrors.
3. Refill all dispensers: soap, towels, toilet paper, and feminine napkin machines.
4. Collect unused portions of toilet paper rolls that are removed from toilet paper dispensers and place them either in a paper recycling roll-cart (identified on Attachment B), into one of the paper recycling chutes (identified on Attachment B), or, if provided by Metro, in another designated receptacle (to permit reuse)
5. Empty, clean and disinfect all waste receptacles and replace all waste can liners.
6. Disinfect and wet mop all floors.
7. Dust and clean all furniture and fixtures.
8. Spot clean walls, doors and partitions.

C. KITCHENETTES AND EATING AREAS

1. Clean and disinfect tables and chairs.
2. Dust all furnishings, sills, ledges and other low built-in furnishings.
3. Clean, disinfect and reline all waste receptacles (see recycling procedures attached)
4. Spot wash all walls, counters, cabinets, appliances, vending machines, doors, door frames, door hardware and metal work so as to remove hand soil, spills and spots.

D. RESILIENT AND HARD SURFACE FLOORS.

1. Sweep and damp mop the following: all rest room floors, lunch room floor, stairways.
2. Dust and spot mop other areas.

E. CARPETED FLOORS

1. Thoroughly vacuum all carpeted areas.
2. Vacuum all floor mats.
3. Spot clean daily.

F. INTERIOR GLASS

1. Spot clean interior and exterior sides of all interior windows (door glass, relights and any reachable glass).

G. METRO BUILDING EXTERIOR

1. Clean outside decks and entrances, empty and clean ashtrays, empty and clean garbage containers

Day Janitor Instructions

The following instructions are intended as a guide. It is understood that situations will occur to disrupt the normal work routine. The following tasks are in priority order and should be kept up accordingly.

1. Main Entrance, Lobby, Hallways and Stairways: These areas are of the utmost importance because they are used intensely by visitors to the center. These areas must be kept clean at all times. The number of daily cleanings may vary due to intensity of use on any given day. Keeping these areas clean can also be done between other tasks as the need dictates.
 - Clean inside and outside of glass entrance doors as needed
 - Check and clean front entrance outside and pick up any litter
 - Use carpet sweeper to keep hallway carpets free of lint and dirt
 - Spot clean stairway doors, treads, railings and walls
 - Spot clean railings and seats around atrium, reception desk and front display case
 - Spot clean all doors and doorjambes adjacent to the main hallways on both levels
 - Spot clean walls and railings in hallways on both levels
 - Spot clean main passenger elevator and keep mirror and stainless steel free of smudges
2. Rest Rooms: Clean rest rooms are very important. The Metro Building is a public building and the cleanliness of the rest rooms should reflect a clean and well-maintained environment. The main rest rooms are the highest priority. These rest rooms are to be inspected and/or cleaned no less than twice daily, once mid morning and once after lunch around 1:30 p.m. to 2:30 p.m. Rest room supplies should be fully stocked at these times. The rest rooms in the 3rd floor west office area (Council Office) and the locker rooms on the lower level are the second priority. These rest rooms need to be inspected and/or cleaned twice daily and spot cleaned as needed.
3. Outside Entrances and Grounds: Pick up all litter from entrances, parking areas, sidewalks and landscaped areas. Priority should be given to entrances. They shall be inspected and/or cleaned no less than twice daily. Entrances shall be the first task on Monday morning due to the accumulation of litter from the weekend. A complete inspection of the parking areas and sidewalks shall be done no less than once daily. It may be desirable to divide these areas up so that the grounds pick up includes a different parking area each time.
4. Conference Rooms and Council Chambers: At the beginning of the workday, obtain a copy of the meeting schedule at the security desk. Make note of meetings being held during the day. Between meetings, inspect the meeting rooms and straighten chairs, spot clean tables to remove smudges and rings and pick up any litter. Maintain proper quantity of whiteboard supplies. If garbage cans or paper recycling receptacles appear to be over half full, empty them and replace liner as necessary. Assist Metro Building maintenance staff in room set up if requested.
5. Auxiliary Areas: The following auxiliary areas shall be cleaned as a second priority, but shall be inspected at least once every day.
 - The wet bar/kitchenettes located throughout the Metro Building shall be inspected and/or spot cleaned and the paper towel dispenser checked at least once daily and preferably twice daily.
 - The employee lunchroom is to be inspected and/or spot cleaned. Garbage can lids and floor around garbage receptacles shall be kept clean.
 - There are two designated smoking areas outside the Metro Building. These areas shall be checked for cigarette butts, empty packages and other litter. The ashtrays shall be checked for accumulation of cigarette butts.
 - The morning after the mixed paper recycling roll-carts are moved to the loading dock, as described below under weekly cleaning task A.3, the Day Janitor shall return the empty roll-carts to their original locations.
 - The day janitor will be expected to respond to spot cleanups as the need arises. The Property Services office will normally page when cleanups are necessary. Be sure to wear the pager at all times and check the battery daily.

Weekly Cleaning Tasks and Items to be Inspected for Quality Compliance

- A. OFFICES, COMMON AREAS, GENERAL WORKSPACES, MEETING ROOMS, CORRIDORS, STAIRWAYS, ENTRANCES and ELEVATORS.
 - 1. Clean doors, door frames, light switches, walls, door hardware, handles and railings, thresholds, kick plates, furniture, counters, built-ins, partitions, baseboards, elevator control panels, wall panels and elevator tracks.
 - 2. Dust all high areas that are missed by the daily work scope.
 - 3. After 5:00 p.m. on the same day each week (the day to be identified in advance by the Property Services Supervisor), all paper recycling roll-cart collection receptacles that are more than 25% full shall be either emptied into the paper recycling chutes or moved to the central paper recycling area located at the loading dock on the first floor of the Metro Building (as identified on Attachment B). All paper recycling roll-carts are identified on Attachment B to the contract. The morning after the recycling roll-carts are moved to the loading dock the Day Janitor shall return the empty roll-cart to their original locations.

- B. EATING AREA AND KITCHENETTES
 - 1. Clean and disinfect all doors, partitions, walls, fixtures, appliances, vending machines, doorframes, ledges, counters, baseboards cabinet counters and fronts and furnishings.

- C. RESILIENT and HARD SURFACE FLOORS
 - 1. Mop high traffic areas in main hallways and side halls with hard surfaces.

Monthly Cleaning Tasks and Items to be Inspected for Quality Compliance

- A. OFFICES, COMMON AREAS, VENDING MACHINE ROOMS, GENERAL WORKSPACES, MEETING ROOMS, CORRIDORS, STAIRWAYS, ENTRANCES and ELEVATORS.
 - 1. Clean and polish metalwork, paneling, woodwork, built-ins and furniture.

- B. RESILIENT AND HARD SURFACE FLOORS
 - 1. Scrub all floors completely

- C. ALL AREAS
 - 1. Clean ceiling air grills.
 - 2. Dust and clean light fixtures.
 - 3. Dust and spot clean walls.

Quarterly Cleaning Tasks and Items to be Inspected for Quality Compliance

- A. REST ROOMS, KITCHEN AREAS AND FLOORS COVERED WITH VINYL
 - 1. Strip tile and resilient floors and refinish floor to maintain shiny and clean appearance.

- B. CARPET CLEANING
 - 1. Complete extraction cleaning of all common area carpets.
 - 2. Shampoo fabric furniture upholstery main lobby and coat with approved fabric protector. This must be done at times when the center is closed.

- C. INTERIOR WINDOW GLASS
 - 1. Wash interior windows and relights and clean mullions between.
 - 2. Dust window and blinds.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 04-3447, FOR THE PURPOSE
OF AUTHORIZING EXECUTION OF THE LEASE RENEWAL
BETWEEN METRO AND THE CITY OF PORTLAND, BUREAU OF
GENERAL SERVICES, FOR THE COMMUNITY POLICING CENTER
LOCATED AT THE METRO REGIONAL CENTER

Date: May 13, 2004

Prepared by: Brian Phillips

PROPOSED ACTION

Adopt the lease with the City of Portland for the Community Police Contact Office.

BACKGROUND

In the Metro Regional Center building, located at 600 NE Grand Avenue, Portland, Oregon 97232, is a space situated in the southwest corner of the Metro Regional Center. This office space is 1,630 square feet with its own entrance and restroom facilities, thereby allowing the office to operate independently of Metro.

In 1993, Metro and the City of Portland entered into a lease agreement for ten years to provide space for a police contact office. Within this office the City of Portland houses the Lloyd District Portland Police Contact Office, including one Multnomah County Deputy District Attorney, and administrative support. The terms of the Lease are triple net, and the activities proposed to take place in the space are typical office operations (report writing, interviews, conferences). No booking activities will take place.

The proposed Lease with the City of Portland would be for an initial term extending to June 30, 2005, automatically renewable annually for four successive one-year terms, until June 30, 2009. Subsequent to approval, a new Metro contract number will be assigned to the Lease with the City of Portland as the terms of the proposed Lease have been revised in its entirety.

ANALYSIS/INFORMATION

1. **Known Opposition:** None.

2. **Legal Antecedents**

Metro Code Section 2.04.026 requires Metro Council approval for any contract to lease any real property owned by Metro. Resolution No. 93-1843, adopted on September 23, 1993, For The Purpose of Authorizing the Execution of the Lease Agreement between Metro and the City of Portland Bureau of General Services for a Community Policing Center in the Metro Regional Center, approved the initial ten-year Lease (Metro Contract No. 903224). Resolution No. 97-2531A, adopted on November 6, 1997, For the Purpose of Authorizing an Amendment to the Lease Agreement between Metro and The City of Portland Bureau of General Services for the Community Policing Center Located in the Metro Regional Center, awarded said ten-year Lease.

ORS Chapter 271.320 provides that a political subdivision may lease real property it owns whenever said property is not needed for public use or the public interest may be furthered thereby.

3. Fiscal Impact

The proposed Lease provides an initial rental rate of \$2,758.00 per month or \$33,096.00 annually, with triple net charges to be paid by the City of Portland in quarterly installments of \$1,500.00, or \$6,000.00 annually, covering Metro's provisions of all services, utilities, janitorial, etc., excluding share of telephone and network support.

RECOMMENDED ACTION

Michael J. Jordan, Chief Operating Officer, with the concurrence of David Bragdon, Council President, recommends adoption of Resolution No. 04-3447 to lease office space to the City of Portland.