

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING	)	RESOLUTION NO. 93-1843
THE EXECUTION OF THE LEASE AGREE-	)	
MENT BETWEEN METRO AND THE	)	Introduced by Rena Cusma
CITY OF PORTLAND BUREAU OF	)	Executive Officer
GENERAL SERVICES FOR A COMMUNITY	)	
POLICING CENTER IN THE METRO	)	
REGIONAL CENTER	)	

WHEREAS, Metro staff has prepared the appended lease for space in the Metro Regional Center to house the City Community Policing office and the Lloyd District's District Attorney's office; and

WHEREAS, the lease is a full-service lease with a duration of ten years and will include adjustments for inflation, said lease to commence October 1, 1993;

WHEREAS, the space to be leased is 1,630 square feet, located in the southwest corner of the first floor of the Metro Regional Center; and

WHEREAS, in support of the community policing effort and the Lloyd District District Attorneys' program, Metro agrees to initially lease the space at a base rent which is 80% of the market rate, ramping up to 100% market rate in years nine and ten; and

WHEREAS, the City will reimburse Metro for support services provided, initially estimated to approximate \$5.00 per square foot; and

WHEREAS, the City will fund and supervise the construction of desired tenant improvements; now therefore,

BE IT RESOLVED, That the Council hereby authorizes the Executive Officer to enter into the lease agreement attached as Appendix 1 with the City of Portland, Bureau of General Services for a community policing center.

ADOPTED by the Council of the Metropolitan Service District this 23rd day of September, 1993.

  
\_\_\_\_\_  
Judy Wyers, Presiding Officer

**OFFICE LEASE**

THIS LEASE made as of this \_\_\_\_\_ day of \_\_\_\_\_ 1993, between METRO, hereinafter referred to as "Landlord," whose address is 600 N.E. Grand Avenue, Portland, OR 97232-2736, and the CITY OF PORTLAND, Bureau of General Services, whose address is 1120 S.W. 5th Avenue, Room 1204, Portland, OR 97204-1972, hereinafter referred to as "Tenant."

**RECITALS**

1. Landlord owns and occupies the Premises located at 600 NE Grand Avenue, Portland, Oregon 97232-2736, and described herein as: that portion of the Premises in the southwest corner of the first floor of the building located at 600 N.E. Grand Avenue and further described in Exhibit "A" "Partial Floor Plan."
2. Tenant desires to lease a portion of those Premises from Landlord.
3. The parties desire to have a Lease agreement defining the terms of the Lease.

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

**SECTION 1. Premises.** Tenant leases from Landlord a portion of the Premises as described in Exhibit "A."

**SECTION 2. Term; Possession.**

2.1 **Term.** The Lease Term shall commence October 1, 1993 (the "Commencement Date") and continue through September 30, 2003, 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.

2.2 **Tenant's Work.** Landlord will notify Tenant when the Building and Premises are ready for the commencement of Tenant's work and installation of Tenant's improvements, personal property and performance of other work. Tenant, on request, will apprise Landlord of the date when the Premises are then expected to be ready for occupancy; however, Tenant acknowledges the advisability of commencing space planning, fixture

construction and other activities well in advance of the expected date the Premises are to be ready for Tenant's work. Tenant will promptly perform the work, if any, required to ready the Premises for Tenant's possession and use, in accordance with the terms attached as Exhibit "B." Landlord shall be required to perform only such work to ready the Premises for Tenant's occupancy as is set forth in Exhibit "B."

**2.3 Delivery of Possession.** Delivery of possession of the Premises (the "Possession Date") will occur on the earlier of: a) when the work required by this Lease to be performed by Landlord (if any) (the "Landlord Work") is substantially completed; or b) when Tenant actually occupies or takes possession of the Premises by, among other things, moving equipment, fixtures, materials, or other personal property onto the Premises, or by commencement of Tenant's improvements to the Premises. Tenant shall not so occupy or take possession of the Premises without first giving Landlord written notice thereof. Landlord shall have no liability for delays in delivery of possession caused by labor disputes, shortages of materials, acts of God, holdover by prior tenants, or other causes. Except as provided for on Exhibit "B," all obligations of Tenant under this Lease shall commence as of the Possession Date; provided, however, that should Tenant actually take possession of the Premises prior to substantial completion of the Landlord Work, Tenant's obligation to pay Base Rent shall not commence until substantial completion of the Landlord Work. Tenant shall not have the right to terminate this Lease because of delay in the delivery of possession for any reason, unless possession is delayed beyond February 28, 1994; provided that Tenant shall have no right to terminate if said delay is caused by the direct action or inaction of Tenant. In order to exercise the limited right to terminate provided for by the previous sentence, Tenant shall, at its option, give written notice to Landlord of the termination prior to the tender of possession to Tenant, thereby terminating its future obligations under this Lease; provided, however, that Landlord shall not be liable to Tenant for any damages, but shall be required to return Tenant's security deposit and pre-paid rent. Notwithstanding the above, if possession is not delivered to Tenant on or before the Commencement Date, Tenant's obligation to pay Base Rent will be delayed until possession is delivered, that is Tenant shall be entitled to one additional days free rent for each additional day which possession is delayed.

**SECTION 3. Rent.** Tenant shall pay to Landlord the Base Rent monthly for the 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 Premises. Additional rent means amounts determined under Paragraph 4 of this Lease.

The initial Base Rent is based upon an initial fair market rate of \$14 per square foot per year for comparable ground floor, storefront retail space on 1,630 square feet of leased space. This initial current fair market rate is to be adjusted by a discount factor to arrive at the Base Rents due throughout the term of this Lease. The fair market rate for each

Lease Year is subject to adjustment as provided in paragraph 3.1. The discount factor for each Lease Year is as set forth herein.

<u>Lease Year</u>	<u>Discount Factor</u>
1	80%
2	80%
3	85%
4	85%
5	90%
6	90%
7	95%
8	95%
9	100%
10	100%

Base Rent for the first two months of the first Lease Year shall be zero. Base Rent for the remaining ten (10) months of the first Lease Year shall be the amount of \$15,213.33. Tenant acknowledges that the First Year Base Rent, as well as rent for all subsequent years of the Lease, is computed based on the square footage of the Premises.

3.1 Initial Term Rent Escalator. Base Rent for each of the second through tenth year of the term of this Lease, shall be determined, on or about the first day of such succeeding Lease Year, that is on the Anniversary, by the following method of computation:

a) Compute the percentage increase, if any, of the Consumer Price Index published by the United States Department of Labor for the Portland, Oregon metropolitan area for All Urban consumers or the nearest comparable data on changes in the cost of living for the Portland metropolitan area as selected by Landlord if such index is no longer published ("CPI") between that most recently published as of the current Anniversary and that most recently published as of the immediately preceding Anniversary;

b) 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 4 percent of the immediately preceding Lease Year's Base Rent and that, at the maximum, by 6 percent of the preceding Lease Year's; and

c) Add the product so obtained to the Base Rent for the immediately preceding year, with the sum to be the Base Rent for the current year.

3.2 Time and Place of Payment. Except for the Base Rent payment for the month of December 1993, which shall be due on execution of this Lease, Base Rent will be

paid in advance on the first day of each month at the address for Landlord set forth in this Lease. Rent is 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 by Landlord in its reasonable discretion if the final proportionate square footages of the Building and its various Premises change.

4.1 **Assessments; Capital Improvement Assessments.** Tenant shall pay 1.5 percent of all assessments (excluding real property taxes), and public charges on the 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. For purposes of this paragraph, the Lease shall be deemed to have commenced on the Possession Date. Tenant will pay all such assessments owed by Tenant within thirty (30) days after receipt of Landlord's notice of the amount due from Tenant.

4.2 **Utilities.** Tenant shall pay 1.5 percent for all utilities and services on the 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 vis a vis other tenants of the Building 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.

4.3 **Common Area Charges.** Tenant shall pay 1.5 percent of all sums expended by 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, periodic maintenance, repair and janitorial services, including window washing and carpet cleaning; maintenance and repair of refuse receptacles or enclosures; maintenance and repair of the Building's mechanical systems; landscaping, re-landscaping, and landscape maintenance; purchasing, installing and maintaining directional signs and other markers; repairing and replacing lighting, purchasing, installing, and removing seasonal lighting and decorations; Building security; required licenses and permits for elevators; extraordinary, as opposed to normal, administrative expenses incurred in the operation and maintenance of the Common Areas; 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 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 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 Service. Landlord shall provide janitorial service for the area of the Premises occupied by Tenant at the same level of service provided for other occupied areas of the Premises. The current level of service is as specified in Exhibit "C."

4.5 Extraordinary Operating Costs. The parties recognize that by virtue of extraordinary use of the Premises by Tenant, Tenant's actual share of the Building's operating costs could exceed 1.5 percent. Therefore, the parties agree that the above percentage is based only upon use of the Premises during ordinary business hours under ordinary office use conditions and employing ordinary office equipment and occasional use during extraordinary business hours. Tenant agrees to pay as additional rent any such expenses within forty-five (45) days of demand by Landlord.

**SECTION 5. Parking.** Tenant shall have the option of purchasing from Landlord the use of two monthly parking spaces in the adjacent Metro Grand and Irving Parking Garage at the then current monthly rate. Use is limited to normal business hours during weekdays, except during recognized public holidays. Tenant will be separately billed monthly for the use of the parking spaces. This option for parking spaces is subject to the usually terms and conditions of the standard parking space rental agreement. No visitors' parking is provided under this Lease.

**SECTION 6. Use.** Tenant shall use the Premises for a Community Policing Center and for no other purposes without Landlord's written consent. Tenant shall at its expenses 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 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 if the nature of its use of the Premises results in the Premises becoming subject to real property taxation under Oregon law.

**SECTION 8. Maintenance and Alterations.**

8.1 Tenant's Obligations. Landlord shall not be required to make any repairs, alterations, additions or improvements to or upon the Premises or Building during the term of this Lease, except only those specifically hereinafter provided for in Section 8.2 below. Tenant hereby agrees to maintain and keep the Premises, including all interior doors, heating, ventilating, and cooling systems, interior wiring, plumbing and rain pipes, in as good repair, operating condition, working order, and appearance, and as clean and safe during the entire term of this Lease as they were as of the Possession Date, at Tenant's own

cost and expense. In this regard, Tenant shall, as necessary: a) replace equipment and fixtures, b) replace broken or damaged interior and exterior glass in the windows and doors of the Premises with glass of as good or better quality as that now in use, and c) paint the interior of the Premises. Finally, Tenant hereby agrees to be responsible and pay for the repair or replacement of any part of the Building damaged as a result of the action or inaction of Tenant or its agents, independent contractors, employees, suppliers or invitees; provided that Tenant's obligation to pay for the damage caused by its invitees and suppliers shall be limited to damages to the (Tenant's interior) Premises, its windows or doors only.

**8.2 Landlord's Obligations; Representations.** 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 Building. It is understood and agreed that Landlord reserves and at any and all times shall have the right to repair or improve the Building or to add thereto, and, for that purpose, at any time may erect scaffolding and other necessary structures about and upon the Building and Premises. In such event, Landlord and Landlord's representatives, contractors and workmen may enter in or about the Building and Premises with such materials as Landlord may deem necessary therefor. Tenant waives any claim against Landlord for damages, including disruption of business resulting therefrom, caused by third parties not in Landlord's control. To the best of Landlord's knowledge, the Premises as turned over to Tenant will be in compliance with the structural requirements of the Americans with Disabilities Act ("ADA"). To the extent the Premises are not, 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).

**8.3 Alterations; Signs.** Except for initial Tenant Improvement work which is described in Exhibit "B," Tenant shall not alter, add to or improve the Premises, 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 Building and belong to Landlord. The parties specifically agree as follows:

**Signs.** Landlord will consider, in its sole discretion, allowing Tenant to place signage identifying Tenant on the Building facade. Landlord's prior approval of the proposed placement and design of signage by Tenant is required prior to installation of Tenant signage. All Tenant signage shall be in conformance with the sign code, shall not damage the Building's exterior, and in Landlord's reasonable opinion shall be tasteful. 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 Premises or, on its behalf, to the Building, and shall

keep the Premises and the Building free from any liens other than liens created by Landlord or other tenants; provided, however, that, so long as Tenant escrows cash with Landlord or 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 Building. If Tenant fails to pay such claim or to discharge any lien created or suffered by Tenant, Landlord may do so and collect such amount as additional rent. Amounts paid by Landlord shall bear interest and be repaid by Tenant as provided in paragraph 11.3 below. 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; provided, however, that Landlord shall give Tenant notice and five (5) business days following such notice to cure such default so long as Landlord has not previously given Tenant notice of a failure to make the same type of payment twice in the last twelve (12) months.

10.2 Unauthorized Transfer. Tenant makes any transfer without Landlord's prior written consent as required under paragraph 9.1.

10.3 Abandonment of Buildings. Tenant abandons the Building, for which purpose "abandons" means a failure by Tenant to occupy and use the Building for the purposes permitted under this Lease for a total of seven (7) business days or more during the Lease Term, unless such failure is excused under other provisions of this Lease.

10.4 Default in Other Covenants. Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within thirty (30) days after notice by Landlord specifying the nature of the default with reasonable particularity.

**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 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 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. Landlord may use the 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 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.

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 performance, 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 15 percent 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 Building. Upon expiration of the Lease Term or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in first-class condition. Depreciation and wear from ordinary use for the purpose for which the Building 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. Tenant shall promptly remove all of its furnishings, furniture, 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 within twenty (20) days after Landlord's notice in writing and request for removal, this 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 paragraph 12.3 above.

13.3 Holdover. If Tenant does not vacate the 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 115 percent of the amount of Base Rent being paid by Tenant at the expiration of the Lease Term), or to eject Tenant from the 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 for the termination of this Lease, Landlord may post on the Building thereof signs notifying the public that the Premises are "for sale" or "for lease;" provided, however, that any signs outside the Premises shall be above the level of the Premise's windows.

**SECTION 14. Indemnity and Insurance**. The Tenant shall hold and save harmless Metro, and indemnify, and defend its elected officials, employees, and agents from damages arising out of acts of Tenant, Tenant employees, agents, and visitors in accordance with the Oregon Tort Claims Act, ORS chapter 30.

The Tenant shall maintain a self-insurance program which provides 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 15. Waiver of Rights**. 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 Premises, the Building, or property thereon caused by peril which would be covered by a standard "all risks" property insurance policy and water damage, 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, or anyone for whom such party may be responsible.

**SECTION 16. Assignment and Subletting**. Tenant shall not assign this Lease or further sublet all or part of the 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 Building and is financially sound. The giving of such consent in one instance shall not preclude the need for Tenant to obtain Landlord's consent to further transfers.

**SECTION 17. 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 18. 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 19. Time of the Essence.** Time is of the essence of the performance of each of Tenant's obligations in this Lease.

**SECTION 20. Amendments.** This Lease shall not be amended or modified except by agreement in writing signed by both parties.

**SECTION 21. Exhibits.** Exhibit "A" and Exhibit "B" which are referred to in this Lease are attached hereto and by this reference incorporated herein.

**SECTION 22. 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 in writing.

**SECTION 23. 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 Premises for the entire term hereof, subject to all provisions of this Lease.

**SECTION 24. 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 25. 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 Premises or the 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 26. 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 27. 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.

**SECTION 28. 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 Premises and Building to any prospective tenants or purchasers; provided, however, that, except in the case of emergency repairs, 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 29. 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 30. 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 31. 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 32. Observance of Law.** Tenant, at Tenant's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements or 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 Premises.

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**SECTION 33. Choice of Law.** This Lease shall be governed by the laws of the State of Oregon.

**CITY OF PORTLAND**

**METRO**

\_\_\_\_\_  
Vera Katz, Mayor  
Commissioner of Finance  
and Administration

\_\_\_\_\_  
Rena Cusma, Executive Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Gretchen Kafoury  
Commissioner of Public Affairs

Date \_\_\_\_\_

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jeffrey L. Rogers, City Attorney

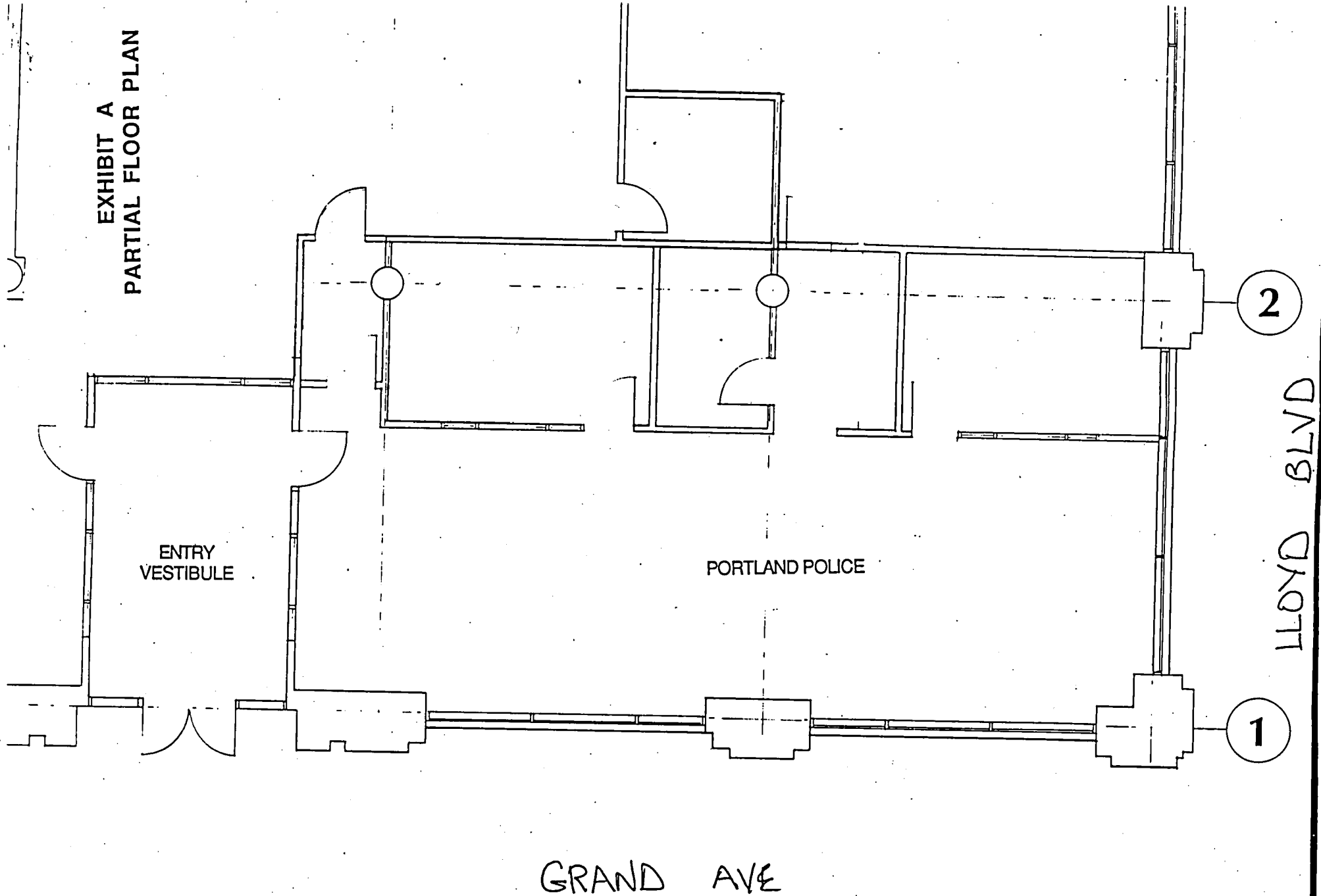
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Daniel B. Cooper, General Counsel

Date \_\_\_\_\_

Date \_\_\_\_\_

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1151A

EXHIBIT A  
PARTIAL FLOOR PLAN



ENTRY  
VESTIBULE

PORTLAND POLICE

2

1

LLOYD BLVD

GRAND AVE

1/8" = 1'-0"

## EXHIBIT B

### LANDLORD WORK

NOTE: Tenant shall review existing conditions to obtain full understanding of the work necessary to complete Tenant's work.

#### Status of Construction at Police Station Area:

- The exterior perimeter walls shall be sheetrocked and ready for paint.
- The core rough mechanical ductwork shall be installed. (Review existing conditions.)
- The core electrical power shall be installed to first floor electrical room. (Review existing conditions.)
- Fire sprinkler upright heads shall be installed to provide protection of area prior to tenant work. (Review existing conditions.)
- There are no light fixtures presently provided.
- Ceiling grid and tile shall be furnished and stocked on the floor.
- Tenant carpet, vinyl and base shall be furnished and stocked on the floor.

EXHIBIT C

BUILDING MAINTENANCE SPECIFICATIONS

OFFICE AREAS/CONFERENCE ROOMS/COUNCIL CHAMBERS

	<u>JANITORIAL SERVICE</u>	<u>TIMES PER WK</u>
1.	Empty and wash all ashtrays.	5
2.	Gather all waste paper and place for disposal.	5
3.	Reline waste receptacles and wipe clean if needed.	5
4.	Dust desks, tables, chairs and other office and conference room furniture.	5
5.	Dust file cabinets, counters and telephones.	5
6.	Dust ledges and other flat surfaces within reach.	5
7.	Properly arrange all office furniture.	5
8.	Properly arrange all magazines, etc., on tables.	5
9.	Clean and disinfect all drinking fountains.	5
10.	Spot clean all relight glass.	5
11.	Remove fingerprints from chrome top caps.	5
		<u>TIMES PER MO</u>
12.	Dust sides of desks and other vertical surfaces, including relights.	1
13.	Dust high partition ledges and moldings that can be reached without use of a ladder.	1
14.	Dust chair bases.	
15.	Dust picture frames and spot clean glass over pictures.	1
16.	Spot wash woodwork by door frames and light switches, including doors front and back.	1
		<u>TIMES PER YR</u>
17.	Move furniture in lobby/reception area to vacuum behind couches, chairs, etc.	2



18.	Polish furniture and apply scratch cover to wood surfaces where required, including wainscoting in Council Chamber.	1
19.	Dust light ledges and other areas that require the use of a ladder.	1
20.	Wide clean baseboards.	2
23.	Vacuum all window coverings.	1
	<u>FLOOR CARE SERVICES</u>	<u>TIMES PER WK</u>
1.	Vacuum all traffic lanes.	5
2.	Spot clean all carpets.	as needed
3.	Dust mop all resilient floors.	5
4.	Damp mop all resilient floors.	1
5.	Spray buff all resilient floors, in high traffic areas.	1
6.	Thorough vacuum once a month.	
7.	Spray buff less traveled areas.	2
8.	Machine scrub and apply wax to all resilient floors.	as needed
	<u>STAIRWAY CLEANING</u>	<u>TIMES PER WK</u>
1.	Dust ledges and other flat surfaces within reach.	1
2.	Dust stairway handrails.	1
3.	Sweep or dust mop stairway surfaces.	2
		<u>TIMES PER MO</u>
4.	Damp mop stairway floor surfaces.	1
	<u>LOBBY AND CORRIDOR CLEANING</u>	<u>TIMES PER WK</u>
1.	Empty and remove all trash.	5
2.	Dust ledges and other flat surfaces within reach.	5
3.	Dust fire extinguisher and alarm boxes (exterior).	5
4.	Clean and disinfect all drinking fountains.	5
5.	Dust all tables and furniture.	5
6.	Vacuum or sweep all floor surfaces.	5
7.	Clean all glass doors (5 sets) and sidelights in lobby.	5

8.	Sweep concrete entry and ramp to second floor main entry to sidewalk.	Police daily
9.	Sweep stairwell to underground parking and all outside entry door landings to include loading dock.	1
10.	Sweep corridors outside to restrooms.	1
	<u>ELEVATOR CLEANING</u>	<u>TIMES PER WK</u>
1.	Vacuum floors/spot carpets.	5
2.	Spot wash walls/doors.	5
3.	Replace all fluorescent tubes.	As needed
	<u>JANITORIAL SERVICE</u>	<u>TIMES PER WK</u>
1.	Gather all waste paper and place for disposal.	5
2.	Change liner in waste receptacles.	5
3.	Clean lunchroom tables and chairs.	5
4.	Clean coffee station and kitchen sinks and all counter areas.	5
5.	Spot all cabinet doors/surfaces.	As needed
		<u>TIMES PER MO</u>
6.	Vacuum upholstered furniture, or damp wipe all vinyl or plastic furniture.	As needed
	<u>FLOOR CARE SERVICES</u>	<u>TIMES PER WK</u>
1.	Dust mop or sweep all lunchroom floors.	5
2.	Damp mop lunchroom floors with disinfectant cleaner.	3
3.	Vacuum/sweep coffee station floors.	1
		<u>TIMES PER MO</u>
1.	Machine scrub and apply wax to lunchroom floors.	1
	<u>RESTROOM CLEANING</u>	<u>TIMES PER WK</u>
1.	Empty and wash all ashtrays.	5
2.	Gather all waste paper and place for disposal.	5
3.	Clean restroom fixtures, sinks and chrome fittings.	5
4.	Clean and fill restroom dispensers from stock.	5
5.	Spot wash restroom walls, partitions and doors.	5

6.	Clean restroom mirrors.	5
7.	Sanitize toilets, toilet seats and urinals.	5
8.	Dust ledges and other flat surfaces within reach.	5
9.	Report to building management any fixtures not working properly.	As needed
10.	Clean shower and fiberglass stall.	5
	<b><u>FLOOR CARE SERVICES</u></b>	<b><u>TIMES PER WK</u></b>
1.	Dust mop or sweep all restroom floors.	5
2.	Wet mop with disinfectant cleaner.	5
3.	Machine scrub and apply sealer to restroom floors.	As needed

	<b><u>MISCELLANEOUS SPECIFICATIONS</u></b>
1.	Maintain the janitor closets in a clean and orderly manner.
2.	Supervisors will be responsible to see that the cleaning personnel does not use the telephones for their personal use, or disturb papers on desks, open drawers, etc..
3.	Doors will be closed and lights turned off when night cleaning is finished. Only designated night lights will be left on.
4.	All hazardous conditions and items in need of repair will be reported, including fire or smoke, dead lights, leaky faucets and toilet or sink stoppage.
5.	Replace all burned out fluorescent and incandescent lights in office and common areas. Underground parking and boiler room to be checked on a weekly basis and replaced as required.
6.	Contractor will obtain and maintain all keys required for restroom dispensers. Metro will be furnished with duplicates of these keys.
7.	All supplies including fluorescent tubes, paper sullies and sanitary supplies will be provided by Contractor. This will be billed monthly and will be at cost plus a markup percentage. This must be completed on bid form (Item #9).
8.	Contractor will provide a calendar showing a schedule of non-regular tasks. This must be provided prior to final award of contract.
9.	Contractor will present metro with options for the supply for paper, including paper made with recycled materials. Best pricing will be included.

## STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 93-1843 FOR THE PURPOSE OF AUTHORIZING EXECUTION OF THE LEASE AGREEMENT BETWEEN METRO AND THE CITY OF PORTLAND BUREAU OF GENERAL SERVICES FOR A COMMUNITY POLICING CENTER TO BE LOCATED IN THE FIRST FLOOR OF METRO REGIONAL CENTER.

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Date: September 1, 1993

Presented By: Neil Saling

### FACTUAL BACKGROUND AND ANALYSIS:

The Headquarters Project staff of Metro and the Police Bureau of the City of Portland have prepared a lease for space in the Metro Regional Center to house the City Community Policing office and the Lloyd District's District Attorney's office. The space is 1,630 square feet, located in the Southwest corner of the first floor of the Metro Regional Center. The extensive storefront windows of the space give visibility to the community policing center. The space has its own direct entrance located on Grand Avenue and its own restroom facilities, thereby allowing the office to operate independently of Metro. The activities of the space will be limited to a typical office operation (report writing, interviews, conferences). No booking activities will take place. The lease term is ten years, which is longer than standard leases, but reflects the City of Portland Police Department's commitment to community policing and the Lloyd District.

In support of the community policing effort and the Lloyd District District Attorneys' program, Metro agrees to lease the space at a rate which is 80% of the market rate of \$14.00 per square foot for the first two years of the lease. With reimbursement of Metro for services provided, the initial effective rate approximates \$16.20 per square foot. The rate increments up by 5% every two years and reaches 100% market rate in years nine and ten.

The lease is a full-service lease whereby Metro provides all services (utilities, janitorial, etc.) and the police, as part of the lease payments, pay its pro rata share of such items. The lease includes an adjustment for inflation and provides that the police complete the tenant improvements to the space (carpet, paint, interior walls, etc.) which are estimated to cost \$40,000-\$45,000.

### RECOMMENDATION:

The Executive Officer recommends approval of Resolution No. 93-1843 by the Metro Council.

## REGIONAL FACILITIES COMMITTEE REPORT

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RESOLUTION NO. 93-1843, 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

Date: September 16, 1993

Presented by: Councilor Hansen

**COMMITTEE RECOMMENDATION:** At its September 15, 1993 meeting the Regional Facilities Committee voted 4-0 to recommend Council adoption of Resolution No. 93-1843. Voting were Councilors McFarland, Hansen, McLain, and Washington. Councilor Gardner was excused.

**COMMITTEE DISCUSSION/ISSUES:** Project Manager Berit Stevenson presented the staff report. She explained how the rent structure and the rate were determined, as outlined in the staff report and in Neil Saling's September 13 memo to Casey Short. She added that the lease calls for an annual adjustment based on change in the Consumer Price Index, and addressed Mr. Short's written questions and Mr. Saling's responses.

Councilor Washington asked how many people would be working in the office and whether parking would be made available for them. Ms. Stevenson said two people would be stationed in the office on a daily basis, and Metro had offered two parking spaces in the garage at the regular \$60/month rate. She added that there would be desk space available for three or four officers, who would check in at least once a day; she said the City would probably reserve two on-street parking spaces on Grand Avenue for police cars.

The committee discussed the need for a definition of the term "community policing center" in the lease agreement. They agreed that the term should be defined, to clarify that no booking or incarceration activities would take place there. Mr. Saling said he had requested the City to prepare a definition for inclusion in the document, but he had not received it yet. Councilor Hansen said the North Portland community policing facility does not include booking or incarceration, and expected the facility at Metro would not either. She asked Mr. Saling if the description in his memo came from the City, and he said it did. Given that understanding, she said she would support sending the resolution to Council with the understanding that a definition would be forthcoming. The committee concurred, and Chair McFarland added that the definition must be available for Council consideration, or she would request the resolution be referred back to committee.



## METRO

DATE: September 10, 1993  
TO: Neil Saling  
FROM: Casey Short *CS*  
RE: Resolution No. 93-1843, Lease of Space in Metro  
Regional Center to City of Portland

Resolution No. 93-1843 is for the purpose of authorizing a lease with the City of Portland for 1,630 square feet of street level space in Metro Regional Center for use as a community policing center. Occupants will include Portland Police and a Deputy District Attorney. I have a few questions about the terms of the lease, which is to be considered by the Regional Facilities Committee at its September 15 meeting.

1. Please explain the difference between the amounts estimated for reimbursement to Metro for support services, as cited in the staff report (\$2.20/sq. ft.) and the text of the resolution (approximately \$5/sq. ft.).
2. Section 2.3 of the lease provides for a days' free rent to be provided for each day beyond October 1, 1993 the space is not available. What is the status of the space, and is there any anticipation that it will not be ready for occupancy by October 1?
3. Section 3 says, in part, "The initial Base Rent is based upon an initial fair market rate of \$14 per square foot per year for comparable ground floor, storefront retail space. . . ." What is the basis for determining this rate as the fair market rate?
4. Section 4 calls for the City to pay 1.5% of various common charges, including utilities, janitorial, assessments for improvements, etc. How was this 1.5% share determined?
5. Section 6 says the tenant shall use the premises for a community policing center. Is this term defined in the agreement, and if not, should it be defined to provide clarity for both parties?
6. What is the estimated gross revenue that is expected to be realized from this lease, what additional expenses will Metro incur, and how do these figures relate to budgeted figures?



**METRO**

DATE: September 13, 1993  
TO: Casey Short  
FROM: Neil Saling *[Signature]*  
SUBJECT: Resolution No. 93-1843, Lease of Space in Metro Regional Center to City of Portland Police Bureau

In answer to your questions (No. 1-6) listed in your memo dated September 10, 1993, we have made the following responses:

1. The lease provides for payment of both base rent and a pro rata share of the operating expenses. The base rent portion is reduced by the discount factor which starts at 80% in years 1-2 and results in 100% (or no discount) in the final two years of the term. The payment of operating expenses is 1.5% of the actual operating expenses of the building based on the area occupied. Operating expenses for the building approximate \$5 per square foot or \$8,150 per year.  
  
Without the discount factor, the lease payments would be \$19 per square foot (i.e., \$14 base rent + \$5 operating expenses). With the discount factor applied, the initial effective rate is \$16.20/square foot (i.e., \$11.20 base rent + \$5 operating expenses).
2. The space is currently available. The tenant will take possession on October 1, 1993 and proceed with tenant improvements. At the completion of tenant improvements, the space will be ready for occupancy. It is expected that it will take two months to complete the tenant improvements, which is the amount of free rent provided in the lease.
3. Metro staff contacted both Metro's broker, Brad Pihás of C. B. Commercial, and Dave Garfield of Pacific Development, Inc., both of whom have knowledge of commercial rentals in the Lloyd District and they indicated that \$18-\$20 per square foot would be a fair market value. Without the discount applied, this lease results in \$19 per square foot.
4. The 1.5% figure was derived by dividing the actual square footage of the leased space by the total non-parking square footage of the building including the recent

additions of the Greenspaces/Parks space and the Solid Waste Refuse Police space (1630/109,000).

5. The "community policing center" typical office set up for administrative activities. For both the District Attorney and the police it will be an office for activities such as interviewing, report writing, correspondence, conferences, etc. There will be no booking nor incarceration activities.

6. Estimated Gross Revenue (First Year)

• Base rent—(80% of \$14/sf) x 1630 sf. less 2 months' free rent	\$15,213.33
• Operating expenses—(1.5% of est. expenses of \$590,823* )	8,862.35
TOTAL	<u>\$24,075.68</u>

Estimated Expenses (First Year)

• 1.5% of debt service of \$1,209,055*	\$18,135.83
• 1.5% of operating expenses of \$590,823*	8,862.35
TOTAL	<u>\$26,998.18</u>

Estimated Gross Revenue (10 Years) \$308,739.00

Estimated Expenses (10 Years) \$287,760.00

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\* These figures were taken from the 93-94 adopted budget





METRO

METRO COUNCIL  
September 23, 1993  
Agenda Item No. 7.2

DATE: September 22, 1993  
TO: Councilor Ruth McFarland  
Councilor Sandi Hansen  
FROM: Casey Short *CS*  
RE: Community Policing Facility

I am writing to the two of you as Regional Facilities Committee Chair and the presenter of the committee report on Resolution 93-1843, respectively, to pass along to you what I received today from the City of Portland regarding a clarification of the term, "community policing facility." You will recall that the resolution authorizes a lease with the City of Portland for space in Metro Regional Center, for use as a community policing facility. In its consideration of this item, the Regional Facilities Committee approved forwarding the resolution to Council with the condition that the term be defined.

The attached communication from the City of Portland describes the activities that will be conducted here. Those activities do not include such activities as booking, interrogation, and incarceration, but do include such things as public access for meetings and information sharing.

This item is on the Council agenda for Thursday, September 23. I suggest the communication from the City be included in the record of the resolution, and it be made clear that the use of the leased space in Metro's building for community policing is to be limited to those uses specified in that communication.

I will provide this memo and the attachment to the Clerk of the Council, for distribution to Councilors at the September 23 meeting.

PPE-FISCAL

TEL: 503-823-0975

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1
To	Dandy Stallcup	
Co.	Metro	
Dept.		
Fax #	797-1796	
From	Diana	
Co.	City of Portland	
Phone #	823-6932	
Fax #	823-6924	

Portland, Oregon 9/204



CITY OF  
**PORTLAND, OREGON**  
 BUREAU OF POLICE

MEMORANDUM

DATE: September 21, 1993

TO: Ms. Diana Lee Holuka

FROM: Officer Brad Bailey *B*

SUBJECT: Metro Facility

The Community Policing storefront, located in the Metro building will be used by the Police Bureau for the following:

1. It will house the Holliday District Deputy District Attorney and 1 staff assistant on a full time, M-F, 0800-1700 schedule.
2. It will occasionally be used by neighborhood police officers and community members as a meeting location.
3. It will be open to the public and will provide information and access police resources. (Accident Reports, crime prevention, visitor information, etc.)
4. Lloyd area neighborhood officers will have access to the office to write reports, use the telephone, etc.

If you have any questions, or need clarification, please contact me at 823-0787, or Lt. John Hren, at 828-4678.