

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF DECLARING CERTAIN) RESOLUTION NO. 17-4829
PROPERTY SURPLUS AND AUTHORIZING)
THE EXECUTION OF A LEASE) Introduced by Chief Operating Officer Martha
) Bennett

WHEREAS, Metro owns and occupies the Metro Regional Center campus, located at 600 NE Grand Avenue, Portland, Oregon 97232-2736 (the "MRC"), which includes a 4 level, 460 stall parking garage situated in the northeast corner of the MRC known as the "Irving Street Garage";

WHEREAS, the Irving Street Garage is currently operated by City Center Parking, with parking spaces available to both Metro employees and the general public on a monthly or daily basis;

WHEREAS, Don Rasmussen Company owns and operates the Land Rover Portland dealership ("Land Rover") currently located across the street from the MRC;

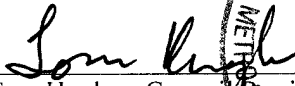
WHEREAS, Land Rover desires to lease the 4th Floor of the Irving Street Garage (the "Premises") at a rate that exceeds the revenue Metro currently generates from the 112 parking stalls located on the top deck of the structure;

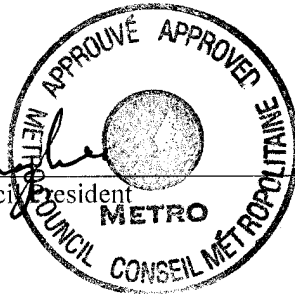
WHEREAS, Metro does not use the Premises for its operations a desires to lease the Premises to Land Rover on the terms of the proposed lease attached as Exhibit A to this Resolution;

BE IT RESOLVED that the Metro Council hereby:

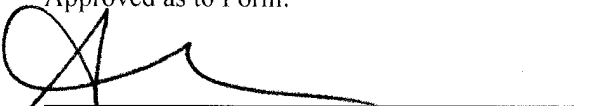
1. Declares the Premises surplus property because it is not needed for public use during the term of the proposed lease; and
2. Authorizes the Chief Executive Officer to enter into a lease agreement with Land Rover similar to the lease agreement attached as Exhibit A, or with those changes approved by the Office of Metro Attorney.

ADOPTED by the Metro Council this 28th day of September 2017.


Tom Hughes, Council President



Approved as to Form:


Alison R. Kean, Metro Attorney

PARKING LOT LEASE

This Parking Lease (“Lease”) is made and entered into effective as of September ____, 2017 (the “Effective Date”), by and between Metro, a municipal corporation and political subdivision of the state of Oregon, organized under ORS 268 and the Metro Charter (“Landlord”), and Don Rasmussen Company, an Oregon corporation (“Tenant”).

RECITALS

WHEREAS, Landlord is the owner of a parking structure located at _____, Portland, Oregon (the “Parking Garage”) and desires to lease the 4th Floor of the Parking Garage (the “Premises”) to Tenant for a period of two (2) years.

WHEREAS, Tenant is the owner of improved real property adjacent to the Premises, and desires to lease the Premises from Landlord, pursuant to terms of this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

AGREEMENT

1. **Premises**: Landlord hereby leases to Tenant, and Tenant leases from Landlord, the Premises for the Lease Term (defined in Section 2, below), at the rental rate set forth in Section 3, and upon the conditions set forth in this Lease. Except upon an event of default (beyond any applicable notice, cure, and/or grace periods), Landlord shall not unreasonably obstruct or interfere with Tenant’s use or access to the Premises.
2. **Term**: The term of this Lease shall be eighteen months (the “Lease Term”) and shall commence on the Effective Date. The parties may, by mutual consent in writing by their duly authorized representatives, agree to extend the Lease Term for up to an additional eighteen months.
3. **Rent**: Upon execution of this Lease, Tenant shall pay to Landlord rent, without notice or demand and without abatement, deduction or setoff, in equal monthly installments of \$27,040.00, in advance on the first day of each month at the office of Landlord or such other place as Landlord may designate. Payments for partial months shall be prorated based on a 30-day month and Tenant shall pay fixed minimum rent for the initial month of the Lease Term upon its execution of this Lease. In the event the parties agree to extend the Lease Term, as provided for in Section 2, the rental rate shall increase to \$28,392.00 per month.
4. **Use, Condition and Maintenance of Premises**:
 - (a) The Premises shall be used and occupied solely for parking lot purposes to provide parking of automobiles that Tenant sells, leases, loans, or services as part of Tenant’s car dealership business. Tenant may not use the Premises for any other purpose without the prior

written consent of Landlord, which consent may be withheld or delayed in Landlord's sole and absolute discretion.

(b) Tenant hereby accepts the Premises "as-is", in its condition existing as of the Effective Date, subject to all applicable zoning, municipal, county and state laws, ordinances and regulation governing and regulating the use of the Premises, and any covenants or restrictions of record provided Tenant has been given copies of such covenants and restrictions of record prior to the date of this Lease.

(c) Tenant, at its expense, shall clean and sweep the Premises, remove leaves and clean out drains on an annual basis, and keep the Premises free from trash and debris. Tenant shall also keep the Tenant Improvements in good condition and repair during the Term of this Lease. Without limiting the foregoing, Landlord expressly acknowledges and agrees that Tenant shall have no responsibility or liability hereunder for addressing the leaks from the 4th Floor of the Parking Garage into the lower levels of the Parking Garage.

(d) Landlord shall have the right, but not the obligation, to access the Premises and perform any repairs, alterations, replacements, and improvements it reasonably deems necessary to keep the Premises and the Parking Garage in good repair and condition provided (a) it gives Tenant not less than forty-eight (48) hours' prior written notice of its intent to access the Premises (except that, in the event of an emergency, it shall only be required to give such prior notice, if any, as may be reasonable under the circumstances) and (b) it uses reasonable efforts to minimize the scope and duration of any interference with Tenant's use.

(e) Except as set forth in Section 5 below, Tenant shall make no alteration, additions, or improvements to the Premises.

5. Tenant Improvements and Alterations:

(a) Tenant shall be entitled, but not obligated, to make the modifications to the Premises (the "Tenant Improvements") pursuant to the "Tenant Improvement Work Letter" attached as Exhibit A to this Lease. All Tenant Improvements shall be completed lien-free. Upon the Effective Date of this Lease, Landlord shall deliver possession of the Premises to Tenant for installation by Tenant of its Tenant Improvements pursuant to the Tenant Improvement Work Letter. The Tenant Improvements shall be subject to Landlord's approval as provided in the Tenant Improvements Work Letter and shall be constructed in a good and workmanlike manner and in compliance with all applicable laws and all other provisions of this Lease, including all of the insurance requirements under this Lease.

(b) Tenant shall not make or permit to be made any alterations, additions or improvements ("Alterations") to the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion except that Landlord shall not unreasonably withhold, condition, or delay its approval of any proposed re-striping of the parking areas in the Premises (provided such re-striping matches existing striping layout) or the installation of the following security measures and devices to protect automobiles parked in the Premises: (i) elevator lock-out capability to restrict access to 4th floor of parking

garage; (ii) roll-up doors at bottom of both vehicle ramps from 3rd floor of parking garage; (iii) lockable from the inside (unlocked from outside on top floor) steel doors at the 4th floor entrances to three fire escape stairwells in parking garage; and (iv) additional chain link screening to close open spaces at vehicle ramps). Together with any request for consent to any Alteration, Tenant shall submit to Landlord plans and specifications for the proposed work and the name of the general contractor and/or subcontractors that will be performing the work. For all elevator-related work, Tenant agrees to utilize Landlord's current elevator contractor, which information will be provided to Tenant upon request. Landlord may grant or withhold its consent or may impose as conditions to its consent such requirements as Landlord deems necessary, in its sole judgment, to protect its interests and to make the proposed Alterations compatible and comparable with the quality, design and structural characteristics of the Parking Garage except that Landlord shall not unreasonably condition, its approval of any proposed re-striping of the Premises or the addition of further security measures and devices to protect the automobiles stored in the Premises. All Alterations shall be constructed in a good and workmanlike manner and in compliance with all applicable laws and all other provisions of this Lease.

(c) All Tenant Improvements and Alterations constructed and installed by Tenant shall, when made, become the property of Landlord, and at the expiration or termination of this Lease shall be surrendered to Landlord in as good order as when installed, ordinary wear and tear and damage due to casualty excepted. Notwithstanding the forgoing, Landlord may, at its option, notify Tenant at any time that Tenant will be required to remove some or all of its Tenant Improvements or Alterations from the Premises upon the expiration or termination of this Lease, and in that event, Tenant shall remove those Tenant Improvement and Alterations from the Premises upon the expiration or termination of the Lease and shall repair or restore the Premises to their original condition prior to the installation of such Alterations, ordinary wear and tear and damage due to casualty excepted.

6. Taxes; Utilities:

(a) Tenant shall pay when due all personal property taxes assessed against its personal property or equipment on the Premises. In the event any ad valorem real property taxes are assessed against the Premises as a result of this Lease, Tenant shall pay such charges assessed against the Premises. In no event shall Tenant have any obligation to pay any income, gross receipts, profits, or franchise tax levied upon the income derived by Landlord from this Lease.

(b) Landlord shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Premises, including without limitation charges for electricity. Utilities for the Premises are not separately metered; Landlord estimates that utility costs attributable to the Premises are approximately \$200.00 per month, which amount has been included in the rent referenced in Section 3. To the extent that the monthly utility charges exceed the estimated \$200.00 per month during the Lease Term, Landlord shall notify Tenant and Tenant shall pay any excess charges Landlord reasonably attributes to Tenant's actual use within thirty (30) days following Tenant's receipt of an invoice therefor.

7. Tenant Insurance; Indemnity:

(a) During the term of this Lease, Landlord shall maintain in full force a policy or policies of standard multi-peril insurance covering the Premises for the perils of fire, lightening, windstorm, and other perils commonly covered in such policies. Landlord typically insures property with a high deductible program (currently \$500,000) and will seek reimbursement of the deductible for property losses arising under the Tenant Indemnity obligation in this Section 7(c).

(b) Tenant shall at its own expense during the Term carry in full force and effect (i) the most recently approved ISO commercial general liability insurance policy, its equivalent, or a Garagekeepers policy written on an occurrence basis, with limits not less than One Million Dollars (\$1,000,000) per occurrence. The policy will include coverage for bodily injury, property damage, personal injury, contractual liability, and premises. Tenant's coverage will be primary as respects Landlord; (ii) a business automobile liability insurance covering owned, non-owned, and hired vehicles with a limit of not less than One Million Dollars (\$1,000,000); (iii) workers' compensation insurance meeting Oregon statutory requirements including employer's liability with limits not less than One Million Dollars (\$1,000,000) per accident or disease; and (iv) Two Million Dollars (\$2,000,000) excess or umbrella insurance bringing the total per claim limit for auto, commercial general liability. Landlord, its elected officials, departments, employees, and agents shall be named as additional insureds on the commercial general liability, automobile, and excess policies. Tenant shall provide to Landlord thirty (30) days' notice of any material change or policy cancellation (only ten (10) days' notice shall be required in the event of cancellation due to non-payment of the premium). On or before the Effective Date, Tenant shall furnish Landlord with a certificate of insurance complying with the requirements of this Section 7. Tenant shall provide updated certificates of insurance annually.

(c) Except for those claims waived pursuant to Section 7(f) below, Tenant shall indemnify, defend, and save harmless Landlord from any and all liability, damage, expenses, attorneys' fees, causes of actions, suits, claims, or judgments, arising out of or connected with (i) the use, occupancy, management or control by Tenant or Tenant's agents, invitees, employees or contractors of the Premises, and (ii) any failure of Tenant to comply with the terms of this Lease; provided, however, that Tenant shall not be liable for claims to the extent caused by the negligence or willful misconduct of Landlord or Landlord's agents, employees or contractors. Tenant shall, at its own cost and expense, defend any and all suits that may be brought against Landlord either alone or in conjunction with others upon any such above mentioned cause or claim, and shall satisfy, pay, and discharge any and all settlements paid by or judgments that may be entered against Landlord, regardless of whether a lawsuit is actually filed.

(d) Except for those claims waived pursuant to Section 7(f) below, Landlord shall indemnify, defend, and save harmless Tenant from any and all liability, damage, expenses, attorneys' fees, causes of actions, suits, claims, or judgments, arising out of or connected with (i) Landlord or its agents, invitees, employees or contractors' negligence or willful

misconduct, and (ii) any failure of Landlord to comply with the terms of this Lease. Landlord shall, at its own cost and expense, defend any and all suits that may be brought against Tenant either alone or in conjunction with others upon any such above mentioned cause or claim, and shall satisfy, pay, and discharge any and all settlements paid by or judgments that may be entered against Tenant, regardless of whether a lawsuit is actually filed.

(e) Any contract between Tenant and a contractor for work on behalf of Tenant at the Premises shall require (i) the contractor to indemnify, save and hold Landlord and Tenant harmless from and against and free and clear of all claims, suits, actions, and damages which may arise, occur or result from work performed by said contractor; and (ii) the contractor to name Landlord and Tenant as additional insureds on contractor's policy of insurance and furnish Landlord and Tenant with a certificate of insurance evidencing such coverage.

(f) Any policy or policies of property insurance which either party obtains in connection with the Premises or Tenant's personal property therein shall include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. Landlord and Tenant waive any rights of recovery against the other for damage to such party's property arising from any occurrence that would be covered by a special form policy of property insurance for the full replacement cost of the applicable item, whether or not such insurance is actually carried by such party. However, the waiver of claims herein shall not apply to Landlord's right to recover from Tenant the deductible on Landlord's property insurance policy up to a maximum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00).

8. Tenant's Obligations:

(a) Tenant agrees to fully comply, at its expense, with all applicable zoning, laws, regulations, ordinances and requirements of any public authority governing and regulating the use and occupancy of the Premises, and all conditions, covenants and restrictions of record now or hereafter in force.

(b) Tenant shall refrain from any activity that would be unreasonably offensive to Landlord or to owners or users of the adjoining premises, or that would tend to create a nuisance or damage the reputation of the Premises or of any such buildings. Without limiting the generality of the foregoing, Tenant shall not permit any unreasonable noise or odor given Tenant's permitted use to escape or be emitted from the Premises, nor permit the use of flashing (strobe) lights, nor permit the sale or display of offensive materials as reasonably determined by Landlord.

(c) Tenant shall refrain from making any marks on or attaching any sign, insignia, antenna, window covering, aerial, or other device to the exterior or interior walls, windows, or roof of the Premises without the written consent of Landlord, which consent may be withheld, conditioned, or delayed in Landlord's sole and absolute discretion.

(d) Tenant shall pay as due all claims for work done on or for services rendered or material furnished to the Premises on the Tenant's behalf, and shall keep the Premises free from any liens other than liens created by Landlord. 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. Such payment by Landlord shall not constitute a waiver of any right or remedy Landlord may have because of Tenant's default.

(e) Tenant shall comply with any reasonable rules respecting the use of the Premises, which may be promulgated by Landlord from time to time and communicated to Tenant in writing, provided that such rules do not materially increase Tenant's operating costs or materially increase Tenant's obligations under this Lease or conflict with the terms and provisions of this Lease.

(f) Tenant shall not generate, release, store, or deposit on the Premises any environmentally hazardous or toxic substances, materials, wastes, pollutants, oils, or contaminants, as defined or regulated by any federal, state, or local law or regulation or any other Law (collectively, "Hazardous Substances"). If Tenant knows, or has reasonable cause to believe, that any Hazardous Materials have come to be located on or beneath the Premises or adjacent lands, Tenant must immediately give written notice of that condition to Landlord. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, losses, damages, response costs, and expenses of any nature whatsoever (including without limitation attorneys', experts', and paralegals' fees) arising out of or in any way related to the generation, release, storage, or deposit of Hazardous Substances on the Premises or on Landlord's property by Tenant in violation of this Lease or applicable laws. Landlord acknowledges, however, that a variety of Hazardous Substances are present in automobiles and that small quantities of such Hazardous Substances leaking from automobiles will not be deemed to violate this Lease.

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

(a) Payment Default. Failure of Tenant to make any rent or other payment under this Lease within five (5) days after it is due. After the first payment default by Tenant only, Landlord shall give Tenant notice and five (5) business days following such notice to cure such default. Any late payments of rent or other payments to be made by Tenant under this Lease shall accrue interest at a default interest rate of 10% per annum.

(b) Unauthorized Transfer. Tenant makes any assignment or sublease of all or part of the Premises in violation of Section 15, below.

(c) [Intentionally Deleted].

(d) 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 reasonably required for performance then Tenant shall not be in default if Tenant commences

performance within such 30-day period and thereafter diligently prosecutes the same to completion within a reasonable period.

10. 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 with reasonable particularity 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 reasonably required for performance then Landlord shall not be in default if Landlord commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

11. 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:

(a) 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 or this Lease. 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.

(b) 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, attorneys' fees relating to the default, and 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 equal to the difference between the rent specified in this Lease and the reasonable rental value of the Premises for the remainder of the term, together with interest thereon at the interest rate discounted to the time of judgment at the rate of 1 percent per annum over the discount rate of the Federal Reserve Bank of San Francisco as of the date of such judgment.

(c) 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 attorney's fees and all disbursements, shall immediately be repaid by Tenant upon demand.

12. Loss or Damage to Premises; Injury to Tenant Property:

(a) In case of any material loss of or damage to the Premises as the result of fire, storm or other casualty, Tenant may abandon the operation and terminate this Lease by giving at least thirty (30) days' prior written notice to Landlord. Landlord shall be entitled to receive its rent for the period prior to such termination; provided, however, that rent shall be pro-rated and owed only for the portion of the Premises that are suitable for parking. To the extent

Tenant does not terminate this Lease following a loss of or damage to the Premises, Tenant's rent shall be equitably adjusted to account for any portion of the Premises not reasonably capable of being used for the parking of automobiles.

(b) Landlord shall not be liable for any injury to the goods, stock, merchandise, or any other property of Tenant or to any person in or upon the Premises or to the leasehold improvements in the Premises resulting from fire or collapse of the Building or any portion thereof or any other cause, including but not limited to damage by water or gas, or by reason of any electrical apparatus in or about the Premises. Tenant shall carry adequate insurance coverage at its sole cost and expense to cover the risks described in this Section 12.

13. Surrender at Expiration:

(a) Condition of Premises. Upon expiration or sooner termination of the Term, Tenant shall surrender the Premises in good condition. Depreciation and wear from ordinary use for the purpose for which the Premises was let and damage due to casualty need not be restored, but all repair for which Tenant is responsible shall be completed to the latest practical date prior to such surrender.

(b) Personalty. Upon expiration of the Lease, Tenant shall remove all of its personal property from the Premises and restore any damage caused by such removal. If Tenant fails to do so, Landlord may effect a removal and place the property in 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.

(c) 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 monthly rent will be 125 percent of the amount of rent then being paid by Tenant), or to eject Tenant from the Premises and recover damages caused by wrongful holdover. Failure of Tenant to remove equipment or personal property which Tenant is required to remove under this Lease shall constitute a failure to vacate to which this paragraph shall apply if the property not removed substantially interferes with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant. If a month-to-month tenancy results from a holdover by Tenant, the tenancy shall be terminable at the end of any monthly rental period on written notice from Landlord given not less than ten (10) days prior to the termination date which shall be specified in the notice. Tenant waives any notice which would otherwise be provided by law with respect to month-to-month tenancy.

14. Quiet Enjoyment: So long as there is not then an event of default by Tenant under this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises without hindrance, ejection or interference by Landlord or any person lawfully claiming through or under Landlord, subject however to the provisions of this Lease.

15. No Assignment; Successors: Tenant shall not assign this Lease or sublet all or part of the Premises without the prior written consent of Landlord which may be withheld in Landlord's

sole and absolute discretion except that Landlord's consent shall not be required in connection with Tenant's assignment of this Lease to an entity that acquires all or substantially all of the assets of Tenant. Subject to the foregoing, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

- 16. SNDA; Estoppels.** Tenant agrees to subordinate its rights under this Lease in writing to the lien of any future deed of trust encumbering the Premises, within twenty (20) days of request, provided the form of the agreement is commercially reasonable and lender agrees not to disturb Tenant's rights hereunder so long as Tenant is not in default under this Lease beyond applicable cure periods. Within ten (10) days after written request of either party, the receiving party agrees to execute and deliver to the requesting party (or its current or prospective lender or a prospective purchaser of its property), an estoppel certificate stating (a) whether this Lease is in full force and effect, (b) any modifications to this Lease, (c) whether any defaults exist under the terms of this Lease, and (d) such other information as may be reasonably requested. If the Property is sold or otherwise transferred by Landlord or any successor to Landlord, Tenant shall attorn to the purchaser or transferee and recognize it as the landlord under this Lease.
- 17. Relationship of the Parties:** No partnership, joint venture, or employment relationship between the parties is created by this Lease.
- 18. Force Majeure:** Neither party shall be in violation of this Lease for failure to perform any of its obligations by reason of strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of the public enemy, acts of public authority, weather conditions, riots, rebellion, accidents, sabotage or any other circumstances for which it is not responsible and which are not within its control. No rent shall be due to Landlord if Tenant suspends operation for any such cause or event.
- 19. Governing Law:** The Lease shall be governed by and construed in accordance with the laws of the State of Oregon.
- 20. Waivers:** No waiver of default by either party of any term, covenant or condition hereof.
- 21. Severability:** If any provision hereof is held to be invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision hereof, provided such invalidity does not materially prejudice either party in its rights and obligations contained in the valid provisions of this Lease.
- 22. Notices:** Any notice or communication to either party shall be given by personal service or by express delivery, or by mailing the same, postage prepaid, by United States registered or certified mail, return receipt requested, to the following addresses and shall be deemed properly delivered, given or served as follows: (a) the next business day when deposited with FedEx or other overnight delivery service with all delivery charges paid or accounted for, provided such notice is deposited with the courier service in time for delivery by no later than 5:00 p.m. on the next business day; or (b) on the date transmitted if sent by facsimile;

provided such notice is transmitted to the recipient by 5:00 p.m. on a business day, otherwise it shall be deemed delivered or sent on the next business day; or (c) two (2) business days after being mailed by certified or registered mail, postage prepaid. As used herein, "business day" means Monday through Friday, excluding federal or state holidays.

TO TENANT: Land Rover Portland
720 NE Grand Avenue
Portland, Oregon 97232
Attn: Dan Muggli

TO LANDLORD: Metro
Martha J. Bennett, Chief Operating Officer
600 NE Grand Ave.
Portland, OR 97232

WITH A COPY TO: Office of Metro Attorney
600 NE Grand Ave.
Portland, OR 97232

Either party may designate a substitute address at any time hereafter by written notice to the other party.

23. Entire Agreement: This Lease, together with all exhibits hereto, constitutes the entire agreement between the parties, and supersedes all representations, statements or prior agreements and understandings both written and oral with respect to the matters contained in this Lease and exhibits hereto. No person has been authorized to give any information or make any representation not contained in this Lease. This Lease may be amended only by written agreement of the parties.

The parties hereto have executed this Lease as of the Effective Date.

LANDLORD:

Metro, a municipal corporation

TENANT:

Don Rasmussen Company,
an Oregon corporation

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

Tenant Improvement Work Letter

Tenant shall be entitled to install, at its sole cost and expense, (a) a lockable pull chain across the two vehicle ramps in order to limit access to the Premises and (b) signage notifying other users of the Parking Garage that the Premises are reserved to the exclusive use of Tenant. Prior to installing any such signage, Tenant shall submit plans to Landlord for its approval showing the proposed size, design, location, and method of attachment to the Building for such signage. Landlord's approval of such plans shall not be unreasonably withheld or conditioned. In the event Landlord does not provide its reasonable objections to such plans within twenty (20) days following receipt, Landlord will be deemed to have approved same. Tenant shall install such signage in accordance with the approved, or deemed approved, plans. Tenant shall be responsible for obtaining, at its sole cost and expense, any permits required for installation of its signage.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4829, FOR THE PURPOSE OF DECLARING CERTAIN PROPERTY SURPLUS, AUTHROIZING THE EXECUTION OF A LEASE, AND EXEMPTING THE TENANT FROM PAYING EXCISE TAX

Date: September 14, 2017

Prepared by: Rory Greenfield,
MRC Building Manager
503-797-1815

BACKGROUND:

Adjacent to the Metro Regional Center, located at 600 NE Grand Avenue, Portland, OR 97232-2736 (the "MRC") is a 4 level, 460 stall public parking garage referred to as the "Irving Street Garage".

Metro has owned and contracted out the operation of this garage in some form since the agency occupied the MRC in 1992. The garage caters to customers seeking monthly and daily parking and is used by visitors to the Lloyd District and MRC, employees of businesses within the Lloyd District, and Metro employees. Current rates are set to be within 90% of the Lloyd District average for monthly parking and within 80% of the Lloyd District average for daily rates published in Go Lloyd's annual Lloyd District Parking Study.

Metro's rates are currently \$90.00 per month and \$7.00 per day. FY 14-16 data indicates that annually, the Irving Street garage produces an average revenue of \$802,000 for Metro. Approximately 50% of this revenue comes from daily parkers and the other 50% from monthly parkers.

Land Rover Portland, located next to the MRC at 720 NE Grand Ave, Portland, OR 97232, requires temporary additional parking to house their inventory until a new dealership facility is completed. As such, they have asked to lease the entire 4th floor of the Irving Street Garage which consists of 122 parking spaces

Metro has enjoyed a working relationship with Land Rover Portland for several years. The dealership currently leases 50 spots on the first and second levels to park inventory and vehicles undergoing service in their service department.

Staff analyzed current revenues, rates and occupancy types and proposed a lease rate for the fourth floor that would increase annual revenues to Metro. If approved by the Metro Council, the proposed lease will provide a rate of \$220 per space and result in an annual increase in revenue of \$144,000.

ANALYSIS/INFORMATION

1. **Known Opposition** – None
2. **Legal Antecedents** - Metro Code section 2.04.026(2) requires Metro Council approval for any contract to lease any real property owned by Metro.

ORS Chapter 279.826 allows public agencies to lease real or personal property not needed for public use.

Metro Code section 7.01.020 provides for users of Metro facilities to pay excise tax, unless exempted as provided therein.

3. **Anticipated Effects** – the fourth floor of the Irving Street Garage will be occupied exclusively by Land Rover Portland.

Metro employees with monthly parking passes will not be affected by this lease agreement.

Daily parking for anyone wishing to use the garage will still be available although at a lesser capacity.

4. **Budget Impacts** – An annual increase in revenue from the parking garage of \$144,000 is expected for Metro as a result of this agreement. Metro intends to dedicate these funds to critical MRC Campus repairs and upgrades which cannot otherwise be funded by the General Fund.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of the proposed resolution.