METROPOLITAN EXPOSITION RECREATION COMMISSION

RESOLUTION NO. 02-18

Approving a lease between the State of Oregon, by and through its Department of Transportation and the Metropolitan Exposition Recreation Commission/Oregon Convention Center, for vehicle parking purposes in the parking lot under I-5 behind the Oregon Convention Center.

WHEREAS, in 1991 the Commission entered into a ten year lease with the State of Oregon, by and through its Department of Transportation, for vehicle parking purposes in the parking lot under I-5 behind the Oregon Convention Center; and

WHEREAS, the parking area continues to be used by the Oregon Convention Center for such things as truck marshalling and exhibitor parking; and

WHEREAS, staffs of MERC and the State of Oregon Department of Transportation Department have researched, reviewed and negotiated points related to the leased area and have reached mutually agreed terms.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves the lease between the State of Oregon, by and through its Department of Transportation and the Metropolitan Exposition Recreation Commission and further, authorizes the General Manager to execute, on behalf of the Commission, the Lease in a form substantially similar to the, attached as Exhibit A, on behalf of the Commission.

Passed by the Commission on June 19, 2002.

Chair

Approved as to Form:
Daniel B. Cooper, General Counsel

Secretary Treasure

Sr. Assistant &bunsel

MERC STAFF REPORT

Agenda Item/Issue: Approving a lease between the State of Oregon, Department of Transportation and the Metropolitan Exposition Recreation Commission/Oregon Convention Center for vehicle parking purposes in the parking lot under I-5 behind the Oregon Convention Center.

Resolution No.: 02-18

Date: June 19, 2002 Presented by: Jeffrey A. Blosser

Background and Analysis: In 1991, the Commission entered into a ten-year lease with the State of Oregon, Department of Transportation, for vehicle parking purposes in the parking lot under I-5 behind the Oregon Convention Center. This area has and continues to be used by the Oregon Convention Center for such things as truck marshalling, exhibitor parking and employee parking. The lease expired in 2001, and OCC staff and Department of Transportation staff have been in negotiations to fashion points for a new lease based on facility expansion and improvements to the leased area by the Center staff. Two appraisals of the leased area have been performed to assist in determining future monthly lease amounts.

Financial Impact: The new lease would require OCC to pay a monthly amount of \$3,596.10 from September 1, 2001 through February 28, 2002. Beginning March 1, 2002, the amount would increase to \$5,190.00/mo for the balance of the year. Effective annually on September 1 each subsequent year, the monthly lease amount will be adjusted to reflect the change in the CPI.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission approve the lease with the State of Oregon, Department of Transportation for vehicle parking purposes in the parking lot under I-5 behind the Oregon Convention Center.

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OREGON DEPARTMENT OF TRANSPORTATION

LEASE

THIS LEASE, made and entered into this _____ day of _____, 20___, by and between the STATE OF OREGON, by and through its DEPARTMENT OF TRANSPORTATION, hereinafter called "State", and METROPOLITAN EXPOSITION-RECREATION COMMISSION/OREGON CONVENTION CENTER, hereinafter called "Lessee"; WITNESSETH: That State, for and in consideration of the covenants, conditions, agreements, and stipulations of Lessee contained in this lease, does lease unto Lessee, and Lessee does lease from State, only for vehicle parking purposes, that property consisting of 64,712 sq.ft., more or less, of which 54,467 sq.ft., more or less is usable, located in the City of Portland, County of Multnomah and outlined in yellow on Exhibit "A", attached hereto and by reference made a part hereof. EXCEPTING THEREFROM that portion of the above described property used or occupied by the overhead structure including the supporting columns and piers of said overhead structure; and the airspace above the airspace occupied by the overhead structure and that portion of the airspace under the overhead structure extending downward a distance of 10 feet from the underside of said structure. TO HAVE AND TO HOLD the above mentioned property, hereinafter called "premises", unto Lessee for the period from September 1st, 2001, through August 31st, 2011, unless otherwise terminated. In consideration of the leasing of premises and of the mutual agreements hereinafter contained, the parties hereto expressly covenant and agree as follows: 1. **IMPROVEMENTS**

No new improvements shall be placed in or on premises, and no alterations shall be made to existing improvements on premises without the prior written consent of State. All improvements made shall be done at the sole expense of Lessee. All permanent improvements made by Lessee on premises shall become the property of State upon expiration or termination of this lease.

Lessee shall reserve two parking spaces within the leased area for the exclusive use of State's Region 1 Bridge Crews. The parking spaces will be made available to State through June 30th, 2006. Lessee shall designate the spaces to be set aside along with providing a means of access to the lot for State's Bridge Section employees. State shall be responsible for signing the spaces set aside for their use.

2. LEASE RATE

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The rental fee shall be as follows: Beginning September 1st, 2001 through February 28th, 2002 rent shall be \$3,596.10 per month. Beginning March 1st, 2002, rent shall increase to \$5,230.00 per month less a \$40.00 per month rent credit to Lessee for the reservation of the two parking spaces per paragraph 1 of this lease agreement for a net rent of \$5,190.00 per month for the balance of the first year. The rent credit shall terminate on June 30th, 2006 per paragraph 1 of this lease agreement. Rents shall be paid in advance on or before the first day of each month beginning September 1st, 2001 and sent to Department of Transportation, Property Management Unit, 355 Capitol Street NE, Room 420, Salem, OR, 97301-3871. Effective annually on September 1st, 2002 hereafter until lease expiration, the monthly lease rate will be adjusted to reflect the change in the CONSUMER PRICE INDEX (CPI-U), "U.S. City Average". This adjustment will be made using the more recently published "U.S. City Average" for the month three (3) months prior to the annual adjustment month. (i.e., Annual November lease is based upon the published rate for August of the same year.) The base CPI-U "U.S. City Average" factor for this lease is 178.0, based on the published rate for June of 2001 (1982-84 = 100). State will notify Lessee at least fifteen (15) days in advance of the rental increase. In no event shall the rent decrease below the original rate noted above.

3. LEASE TERMS ARE INDEPENDENT

The agreements, conditions, covenants and terms, herein contained and to be performed by the parties, are separate and independent; and the performance of each and every one is not conditioned or dependent upon performance of any other, unless specifically so stated within the language of the provision. 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 such other provisions shall remain in full force and effect.

4. ACCEPTABLE & NON-ACCEPTABLE USES

The premises shall be used only for vehicle parking purposes. The lease is not intended for, nor does it allow use of the premises for residential purposes. Lessee covenants that premises shall not be used for any

purpose other than that stated heretofore. A breach of this covenant shall result in default and possible termination of this agreement.

Premises shall not be used for the storage, disposal or manufacture of any inflammable materials. The property will not be used for storage, disposal or processing of waste material, Junk, scrap, or the dismantling of vehicles or equipment. Nor shall the premises be used for any purpose deemed by State to be a potential hazard to the public or detrimental to the use, maintenance and scenic enjoyment of the adjacent State Transportation Facility.

Lessee shall not use or allow premises to be used for any unlawful purpose whatsoever.

HAZARDOUS MATERIALS

5.

Lessee shall not: (a) install facilities for or operate on premises a gasoline supply station or gasoline pump; (b) allow vehicles used or designed for the transportation of, or bulk amounts of, gasoline, petroleum products or explosives on premises; (c) store bulk gasoline, petroleum products or explosives on premises. Except with the prior written approval of State, which approval may be withheld at the State's sole discretion, Lessee shall not cause, permit or suffer any "Hazardous Material" (defined below) to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated or used upon, about, or underneath the premises or any portion thereof by Lessee, its agents, employees, contractors, or invitees, or any other person. Any request for written consent by State shall be in writing and shall demonstrate to the satisfaction of State that the Hazardous Material is necessary to the business of Lessee, and will be stored, used and disposed of in a manner that complies with all federal, state or local laws, statutes, rules, regulations, ordinances, orders, permits or licenses applicable to the Hazardous Material. Any such approved use of Hazardous Materials shall continue during the term of this lease to comply with all federal, state, and local laws, statutes, rules, regulations, ordinances, orders, permits or licenses applicable to Hazardous Material.

"Hazardous Material" is defined for purposes of this lease as any substance;

- (i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or
- (ii) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without

limitation, the Comprehensive Environmental Response Compensation and Liability Act (42 USC 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 USC 6901 et seq.); or (iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, or instrumentality of the United States, the State of Oregon, or any political subdivision thereof.

6. INGRESS & EGRESS

Access to the parcel shall be from NE Oregon Street and NE 1st Avenue. All ingress and egress shall be subject to administrative and statutory requirements, including but not limited to ORS 374 et seq. Access to premises via city/county roads shall be under local city/county jurisdiction.

7. OCCUPANCY

Occupancy and use of premises shall not be such as will permit hazardous or unreasonably objectionable smoke, fumes, vapor, or odors to emanate from premises. Lessee shall operate and maintain the premises to protect against hazards as to the use, safety or appearance of premises. Use and maintenance of premises shall cause no interference with traffic on adjacent State Transportation Facility. Maintenance of premises by Lessee, as required under Paragraph 11 herein, shall include such emergency maintenance procedures as may be required by State.

8. TAXES & ASSESSMENTS

Lessee shall be responsible for all taxes and assessments, if any, on all real and personal property located on or attached to premises, regardless of ownership.

Real Property taxes shall be paid by State. Lessee shall reimburse State within 30 days of billing for said taxes by State. If lease terminates after June 30, of any year, Lessee hereby agrees to be responsible for all taxes and assessments imposed for that tax year, regardless of when tax is imposed. Lessee shall not be entitled to any pro-ration of taxes.

9. UTILITIES

Lessee shall pay for all utility services furnished to premises and shall order and pay for any meter installations, which may be necessary.

10. ADVERTISING SIGNS

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No advertising signs, displays or devices may be erected on premises except signs advertising Lessee's onsite business. Any on-premise signs and informational notices shall be subject to the approval of State and shall indicate no more than the type of activity being conducted on premises. No signs are allowed on areas within State's recognized right of way nor under/over any State structure. All signs shall comply with local sign ordinances.

11. PROPERTY MAINTENANCE

Lessee shall at all times, and at Lessee's sole expense, keep and maintain premises, including the sidewalks, if any, in front of the premises, free and clear of ice, snow, rubbish, debris, noxious weeds, obstructions and all inflammable or explosive materials of every kind, and shall keep premises in an orderly, clean and safe condition. Lessee shall maintain the landscaping by regular trimming, weeding and generally maintain the property in a neat, well-kept manner.

12. TRANSPORTATION FACILITY PROTECTION

Lessee shall, without expense to State, take all steps necessary to effectively protect the adjacent State Transportation Facility from damage incident to Lessee's use of premises. Lessee shall be liable to and shall reimburse State for any damage to State's right of way fences, markers, monuments, slope easements, structures or facilities resulting from or attributable to the use and occupancy of premises by Lessee.

13. PERMITS AND LICENSES

Lessee shall secure all necessary permits and licenses required in connection with operations on premises and shall comply with all federal, state, and local statutes, ordinances, and regulations that may concern, in any way, Lessee's use of premises.

14. LIABILITY

Lessee shall occupy and use premises at Lessee's own risk and expense, and shall save and hold harmless State, its Transportation Commission, Commission members, officers, agents, and employees, from all claims, suits or actions for any damage to property or injury or death of any person arising out of or in connection with the occupancy or use of premises by Lessee. State shall, to the limits of liability for public bodies set forth in the Oregon Tort Claims Act, ORS 30.260 through 30.300 and the Oregon Constitution, save and hold harmless

Metropolitan Exposition Recreation Commission, Metro, and their respective officers, elected officials, directors, agents and employees from all claims, suits or actions made by third parties for any damage to property or injury or death of any person caused by State's negligent acts or omissions committed pursuant to this lease. State shall, in no event, be liable to Lessee for any damage to property, or injury to or death of any person occurring or arising from the use of premises by Lessee.

Lessee further agrees to indemnify and hold harmless State from any and all claims, liabilities, losses, damage, costs and expenses (including attorney fees at trial and on any appeal or review) arising out of use of the premises by Lessee or its agents, employees, contractors or invitees, including but not limited to the costs of remediation or clean-up of any Hazardous Material used on the premises by Lessee or its agents, employees,

contractors or invitees, whether with or without the approval of State.

15. INSURANCE

Lessee shall to the limits of liability for public bodies set forth in the Oregon Tort Claims Act, ORS 30.260 through 30.300 and the Oregon Constitution, save and hold harmless State, its Transportation Commission, Commission members, officers, agents and employees, from all claims, suits or actions made by third parties for any damage to property or injury or death of any person caused by Lessee's negligent acts or omissions committed pursuant to this lease. Lessee shall furnish State with a Certificate of Insurance from their risk manager certifying that Lessee has met all requirements of Oregon law to be a self-insured entity and is self-insured for purposes of general liability and automobile liability. Lessee shall also provide State with a Certificate of Insurance demonstrating that Lessee maintains workers compensation coverage as required by State law.

16. ASSIGNMENT

Lessee shall not assign this lease or sublet premises without the prior written consent of State, and any attempt to assign or sublet without written consent shall be void and shall be a default in this lease. Lessee shall pay a service charge to State for every assignment of this lease entered into by Lessee.

17. TERMINATION

This lease may be terminated as to all or part of premises when needed for public purposes, or when State determines that it is in the public's best interest, upon giving of a 30-day written notice to Lessee of its intent to terminate same. In the event of such termination, Lessee hereby waives all its rights to make a claim for any

losses or damages suffered thereby. If said lease is terminated by State prior to August 31st, 2011, State agrees to reimburse Lessee for actual construction costs of improvements made upon the leased premises between September 1st, 2001 and April 30th, 2003, as shown within the plans on Exhibit "B", attached hereto and by reference made a part hereof. Reimbursement will be computed at 10% of actual cost due Lessee for every year remaining under the term of said lease. (EXAMPLE: \$10,000.00 actual cost, 5 years left under lease term equals reimbursement to Lessee of \$5,000.00).

If Lessee requests termination prior to lease expiration, the termination request may be granted by State upon written request and upon receipt of payment in the form of a cashier's check or money order equal to one fourth (1/4) the annual lease rate set forth in Section 2 or \$1,500 whichever is greater. Upon early termination, lessee remains liable for all taxes per Section 9 of this lease. Depending on termination date, this could be tax for the full year.

18. ENTRY ONTO PROPERTY

State specifically reserves the right to enter and occupy premises upon failure of Lessee to comply with any provision of this lease. State also reserves the right to enter premises for purposes of inspection and to determine whether Lessee is complying with the provisions of this agreement; to perform acts necessary or proper for the protection, preservation, maintenance, reconstruction, and operation of adjacent State Transportation Facility; and to perform acts necessary or proper in connection with the construction or maintenance of adjacent State Transportation Facility. State also reserves the right to enter and take possession of premises in case of national or other emergency for the purpose of preventing sabotage and otherwise protecting its Transportation Facility. During such emergency occupation Lessee shall be relieved from obligation to comply with the provisions of this lease.

19. DEFAULT

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188 The following shall be events of default:

- (a) Failure of Lessee to pay any rent or other charge within 15 days after it is due.
- (b) Failure of Lessee to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within 10 days after written notice by State specifying the nature of the default. If the default is of such a nature that it cannot be completely remedied within the 10 day period, this provision shall be complied with if Lessee begins correction of the default within the 10 day period and

thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

(c) Filing of a voluntary or involuntary petition in bankruptcy, or filing of any proceeding to subject this lease or the interest of Lessee herein to garnishment or sale under execution.

20. REMEDIES FOR DEFAULT

In the event of default the Lease may be terminated. In the event of termination, regardless of how effected, including termination for need or failure to comply with any provision of this lease, Lessee shall, by the date of said termination, peaceably and quietly leave, vacate completely and surrender premises, including those improvements and fixtures placed or made thereon by Lessee that belong to State, in a good, clean and sightly condition, reasonable use and wear, and damage by earthquake, fire, public calamity, the elements, acts of God, or other circumstances over which Lessee has no control, excepted. If premises are not voluntarily surrendered, the State may, without notice, re-enter and take possession of premises and may, without breach of the peace, and with or without legal process, evict and dispossess Lessee from premises. In the event of termination or retaking of possession following default, State shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages: (1) The loss of rental from the date of default until a new lessee is secured, or until the termination date of the lease, whichever is sooner; and, (2) The reasonable costs of reentry and re-letting including without limitation the cost of any cleanup, refurbishing, removal of Lessee's property, or any other expense occasioned by Lessee's default including but not limited to, any repair costs, attorney fees and court costs.

21. TIME

TIME is of the essence of every provision of this lease. Failure of State to object to the violation of any provision of this lease shall not be deemed a waiver by State of a subsequent similar breach nor of State's right to demand strict performance by Lessee of any provision contained therein.

22. LEASE MODIFICATION

Notwithstanding anything herein contained to the contrary, this lease may be terminated or any provision of this lease may be changed, by mutual consent of the parties hereto, in writing.

23. SUCCESSORS & ASSIGNS

The provisions of this lease and all obligations and rights thereunder shall extend to and bind the successors and assignees of Lessee and any assignee or legal successor of State.

24. FEDERAL HIGHWAY ADMINISTRATION (FHWA) REGULATIONS

Notwithstanding any provision herein to the contrary, Lessee shall comply with all the standards and requirements of Federal Highway Administration Regulation, which shall, in case of conflict with any provision of this lease, be deemed minimum standards and requirements. This paragraph shall not, however, relieve Lessee from the duty to comply with all other provisions of this lease and all provisions of this lease which are in addition to or more stringent than the standards and requirements of said regulations.

25. CIVIL RIGHTS (NON-DISCRIMINATION)

Lessee, for itself and assigns, as part of the consideration hereof, does covenant and agree, as a covenant running with the land, that (1) no person, on the grounds of race, color, or national origin, shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of premises; (2) that in connection with the construction of any improvements on premises, no discrimination shall be practiced in the selection of employees and contractors, by contractors in the selection and retention of first-tier subcontractors, and first-tier subcontractors in the selection and retention of second-tier subcontractors; and (3) that Lessee shall use premises in compliance with all other requirements imposed pursuant to Title 15, Code of Federal Regulations, Commerce and Foreign Trade, Subtitle A, Office of the Secretary of Commerce, Part 8 (15 C.F.R., Part 8), and as said Regulations may be amended.

In the event of breach of any of the above non-discrimination covenants, State shall have the right to

lease had never been made or issued.

26. PRIOR LEASES/AGREEMENTS

This lease is intended to supersede and/or replace all previous agreements, written or oral, entered into by the parties hereto for the rental of premises.

immediately terminate this lease, to re-enter and repossess premises, and to hold the same as though this

250	27.	"UNIFORM" ACT		
251		Should this lease be terminated for any reason, Lessee hereby acknowledges, understands, agrees and		
252		waives any and all benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act		
253		of 1970 as amended, or any other benefits under similar acts applicable to Lessee, or the property leased		
254		herein.		
255	28.	SINGULAR/PLURAL		
256		In construing this lease, where the context so requires, the singular includes the plural and all grammatical		
257		changes shall be made so that this lease shall apply equally to corporations and individuals.		
258	29.	NOTICES		
259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278		The State (for notice) is: Right-of-Way Manager Department of Transportation 355 Capitol St., NE, Room 420 Salem, Oregon 97301-3871 Phone: (503) 986-3600 FAX: (503) 986-3625 The Lessee (for notice is): Metropolitan Exposition-Recreation Commission Oregon Convention Center P.O. Box 2746 Portland, Oregon 97208 Phone No:		
279 280	30.	COMPLETE AGREEMENT THIS CONTRACT CONSTITUTES THE ENTIRE CONTRACT BETWEEN THE PARTIES. NO WAIVER CONSENT, MODIFICATION OR CHANGE, OR TERMS OF THIS CONTRACT SHALL BIND EITHER PART UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OF CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR TH SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OF		
281 282 283 284 285				
286 287		REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS CONTRACT.		

288	LESSEE, BY THE SIGNATURE BELOW, HEREBY ACKNOWLEDGES READING THIS CONTRACT,					
289	UNDERSTANDING IT, AND AGREEING TO BE BOUND BY ITS TERMS AND CONDITIONS.					
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292 293	31. APPROVALS					
293 294	JI. Al I NOTALO					
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297	ODOT REGION APPROVAL	STATE OF OREGON, by and through its				
298	UDOT REGION APPROVAL	DEPARTMENT OF TRANSPORTATION				
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302	Ву	By				
303	By ODOT Region Manager	Deolinda G. Jones, Right of Way Manager				
304	Date					
305 306	Date					
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309		Material Expedition Represtion	Commission			
310	FHWA FORMAT APPROVAL	Metropolitan Exposition-Recreation Oregon Convention Center	Commission			
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312 313	Ву	By Title	_			
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315	Title:	By Title	_			
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317	Date:					
318 319						
320	In Witness Whereof, the lessee has executed this i	instrument this day of	_, 20; if a			
321	corporation lessee, it has caused its name to be sig	ned and its seal, if any, affixed by an officer o	r other person			
	duly authorized to do so by order of its board of dire					
322	duly authorized to do so by craci of no board or an					
323	<u>-</u>	•				
324	State of Oregon, County of					
325 326	This instrument was acknowledged before me on	, 20, by	and			
		ry of Metropolitan Exposition-Recreation Com	mission/Oregon			
327		my of modepower. Experiment to				
328	Convention Center.					
329		BEFORE ME:				
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333		Notary Public for Oregon				
334		My Commission Expires:				
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STATE OF OREGON, County of Marion	
Right of Way Manager for the State of O signed on behalf of the State of Oregon by	onally appeared, Deolinda G. Jones, who being sworn, stated that she is the oregon, Department of Transportation, and that this document was voluntaring authority delegated to her.
	BEFORE ME:
	Notary Public for Oregon
	My Commission expires:
Lessee Federal Tax I.D. or Social Securit	y No.:
ODOT Federal Tax I.D.: 93-1111585	End of Lease Document
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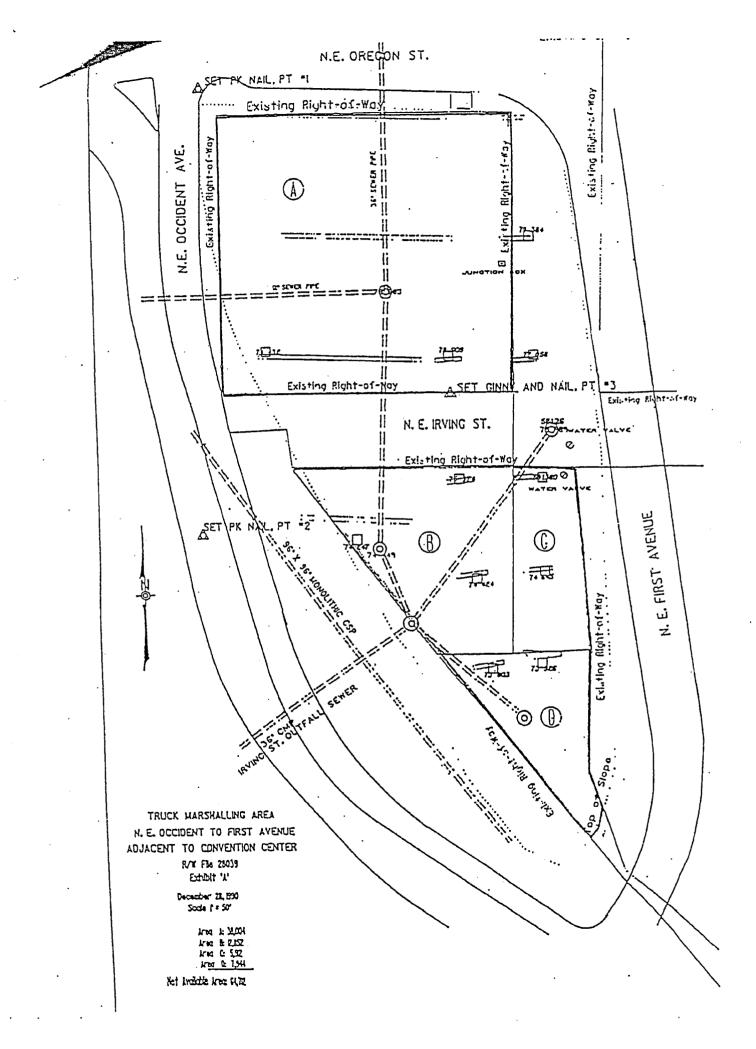


EXHIBIT B R/W File #: 28039LA

Actual construction costs of improvements made on leased premises between September 1, 2001 and April 30, 2003 include

New Fence at Oregon	\$20,000		
New Gate and Operator	\$ 6,000		
New Electrical Services	\$ 4,000		
New Lighting	\$ 8,000		
Landscaping	\$ 4,000		

Management Costs \$ 7,500

Total: \$50,000 (estimated)