

**METRO**

Date: April 28, 1994

To: Councilor Rod Monroe
Finance Committee

From: Douglas E. Butler *[Signature]*
Regional Facilities Interim Director

Re: Metro Center Update

Building Management

On March 28, 1994, the three current sublessees were given written notice that they must vacate the building no later than June 30, 1994.

Facilities Management staff are making preparations to remove all remaining Metro property from the building in order to "mothball" the building beginning July 1, 1994.

Budgeting

The Budget Committee has approved a recommendation to the full Metro Council which would direct staff to exercise the "non-appropriation" clause in the building lease. This clause provides for the early termination of the lease under certain conditions in exchange for a payment of \$25,000.

Early Termination Settlement Offer

Because exercising the "non-appropriation" clause is likely to trigger litigation, it was felt that a negotiated settlement would be preferable if acceptable terms could be agreed upon. A settlement offer was submitted by Metro on March 17, 1994, and the building owner, AMCO, has indicated its intent to respond within the next week.

Subleasing

Metro and AMCO have agreed that it is in our mutual interest to find a long-term tenant acceptable to AMCO to lease the building. We have also agreed that it is logical for AMCO to take the lead in this effort. Accordingly, AMCO has entered a listing agreement (through June 30, 1994) with Mark Madden of Colliers Portland Oregon.

Metro previously had a listing agreement for the building with Brad Pihas of CB Commercial. Metro has terminated this agreement now that AMCO has taken the lead in leasing the building.

Metro is continuing to work with Brad Pihas to try to secure a tenant which is interested in leasing the building for a term approximately equal to the remaining term of Metro's current lease for the building. This is basically a back-up strategy which would permit Metro to offset its costs of leasing and operating the building.

I will keep you informed of new developments and would, of course, be happy to answer any questions you may have in the interim.

cc: Dick Engstrom
Judy Wyers
Sandi Hansen