

W.S.H.2

AGENDA COVER MEMORANDUM

Memorandum Date: December 23, 2009

Agenda Date: January 6, 2010

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: Jeff Turk, Property Management Officer 2

SUBJECT: ORDER/ IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A ONE YEAR LEASE EXTENSION WITH AN EXPENSE OF \$106,294.52 FOR THE RIVERSTONE HEALTH CLINIC LOCATED AT 1640 G STEET, SPRINGFIELD

PROPOSED MOTION: THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE COUNTY ADMINISTRATOR TO EXECUTE A ONE YEAR LEASE EXTENSION WITH AN EXPENSE OF \$106,294.52 FOR THE RIVERSTONE HEALTH CLINIC LOCATED AT 1640 G STEET, SPRINGFIELD

1. **AGENDA ITEM SUMMARY:**

The lease agreement for the Riverstone Clinic expires January 31, 2010. The clinic is expected to move into its new facility September 1, 2010. The proposed extension will include a provision allowing the County to terminate the agreement after August 31, 2010 upon 30 days written notice. The proposed agreement is for one year to satisfy Dept. of Revenue requirements that a lease agreement needs to be one year in length in order for the lessee (the County) to qualify for a tax exemption (the inclusion of the termination provision will not affect qualifying for the exemption).

Monthly rent will increase 3% to \$8,857.88. Michael Liu is the lessor.

3. **BACKGROUND/IMPLICATIONS OF ACTION:**

A. **Board Action and Other History**

The County began leasing the facility in February, 2004 pursuant to Order 04-1-14-5. The initial lease was for 3 years and provided for a 3 year extension which was exercised pursuant to Order 06-12-13-9.

Remodeling of the new facility purchased by the County is expected to be completed by September 1, 2010.

B. Policy Issues

The Riverstone Clinic provides comprehensive medical services to low income citizens of Lane County.

Per LM 21.145, the County Administrator is not authorized to execute contracts exceeding \$100,000 without approval from the Board.

C. Board Goals

Operation of the clinic is consistent with the Board's goal to "ensure the provision of basic social support in the areas of health care, disease prevention, protection, poverty reduction and independent living".

D. Financial and/or Resource Considerations

If the County terminates the agreement by September 1, 2010 total rental cost would be \$62,005.13. Total rental cost for a full 12 month term would be \$106,294.52

E. Analysis

A one year lease agreement with a provision to terminate after August 31, 2010 will satisfy Dept. of Revenue requirements to qualify for a tax exemption and provide the Riverstone Clinic with the flexibility to move into its new facility when remodeling is completed. Per the terms of the original lease, the County would be responsible for payment of any property taxes assessed on the property should the County fail to qualify for an exemption.

F. Alternatives/Options

1. Authorize renewing the lease for one year with a 30 day termination provision.
2. Direct staff to negotiate other terms per direction of the Board.

V. TIMING/IMPLEMENTATION

Board action is requested as soon as possible.

VI. RECOMMENDATION

It is recommended that the renewal be authorized as presented (option 1.).

VII. FOLLOW-UP

Upon approval by the Board, the lease extension will be processed for signature by the County Administrator.

VII. ATTACHMENTS

Board Order
Lease Extension

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A ONE YEAR LEASE EXTENSION WITH AN EXPENSE OF \$106,294.52 FOR THE RIVERSTONE HEALTH CLINIC LOCATED AT 1640 G STEET, SPRINGFIELD

WHEREAS Lane County, has been leasing space at 1640 G Street, Springfield, to operate a federally funded Community Health Clinic since February, 2004 and

WHEREAS, said lease agreement and extensions thereto will expire January 31, 2010 and

WHEREAS, Lane County is in the process of remodeling a new facility that has been purchased by Lane County and

WHEREAS said remodeling is expected to be completed by September 1, 2010 and Lane County does wish to continue operating the Community Health Clinic to provide comprehensive medical services to low income citizens of Lane County until such time remodeling is completed

IT IS HEREBY ORDERED that the County Administrator is authorized to execute a one year lease extension from February 1, 2010 through January 31, 2011 with Michael Liu (Lessor) substantially similar to attached exhibit "A" with an expense not to exceed \$106,294.52 and to include a provision to terminate the extension anytime after August 31, 2010.

IT IS FURTHER ORDERED that this Order shall be entered into the records of the Board of Commissioners of the County.

DATED this _____ day of _____, 2010.

Chair,
Board of County Commissioners

APPROVED AS TO FORM

Date 12-23-09 lane county


OFFICE OF LEGAL COUNSEL

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A ONE YEAR LEASE EXTENSION WITH AN EXPENSE OF \$106,294.52 FOR THE RIVERSTONE HEALTH CLINIC LOCATED AT 1640 G STEET, SPRINGFIELD

EXHIBIT "A"

**LEASE EXTENSION
RIVERSTONE CLINIC**

WHEREAS, Lane County (lessee), a political subdivision of the State of Oregon, entered into a lease agreement with LGR Associates in January, 2004 for property located at 1640 G St. and 1633 H St., Springfield, OR for the period February 15, 2004 – January 31, 2007

WHEREAS, said lease agreement was extended for the period February 1, 2007 – January 31, 2010.


WHEREAS Michael Liu (lessor) is the current owner of the leased premises.

The parties do hereby agree to extend the original lease agreement under the same terms and conditions, including a 3% rent increase, through January 31, 2011.

The parties also agree that the lessee can terminate this extension by giving lessor not less than 30 days written notice of its intention to do so. Said 30 day notice may not be given before August 1, 2010.

All other terms and conditions of the original lease agreement, extensions thereof and addendums thereto, not affected by this renewal shall remain in full force and effect.

LESSOR:


Michael Liu
*Kent Mack, Property Management Agent
for Michael Liu.*

Dated

12/18/09

LESSEE:

Jeff Spartz
County Administrator

Dated