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AGENDA COVER MEMO

DATE: May 25, 2004

TO: Lane County Board of Commissioners

DEPT.: Public Works

PRESENTED BY: Frank Simas
Right of Way Manager

AGENDA ITEM TITLE: In The Matter of Authorizing the County Administrator to Sign a Lease With Qwest Corporation Concerning Tax Lot 17-03-18-00 00500, Located at 3050 North Delta Highway.

I. MOTION

THAT THE ORDER BE APPROVED AUTHORIZING THE COUNTY ADMINISTRATOR
TO SIGN A LEASE WITH QWEST CORPORATION.

II. ISSUE OR PROBLEM

By Order 03-08-27-7, the Board approved the purchase of property for the expansion of the Delta Public Works complex. The property is currently occupied by Qwest Corporation under lease from the owner and is used as a dispatch facility for the repair, maintenance and construction of Qwest facilities in the Eugene area. Qwest wishes to remain in occupancy of the property under a lease with Lane County until a replacement site can be found to accommodate it's needs.

III. DISCUSSION

A. Background

The purchase of this property by Lane County is expected to be completed in the very near future. The property adjoins the existing Delta Public Works Complex and is located at 3050 North Delta Highway. Qwest Corporation is the current tenant of the facility and has occupied it under a lease since the 1970s. As a tenant of the property, Qwest is eligible to receive payment for the actual cost of moving as well as for certain other eligible expenses under provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act, as well as provisions of the Oregon Revised Statutes and the Lane Code.

Qwest is currently in the process of locating a replacement site, but has been reluctant to commit to entering into a new lease until the acquisition was actually closed. Remaining in occupancy of the property will give Public Works staff ample time to provide required relocation assistance, while assuring a minimal disruption to Qwest's business due to not

having to find a temporary location while a new facility is either being built or remodeled to meet its needs.

Qwest has agreed to lease the property from Lane County during this interim, for an initial term of one year, beginning on the date Lane County takes ownership of the property, with the option to renew for an additional one year term, and with the option to terminate the lease upon 30 days notice at any time during the initial or renewal term. This will allow Qwest the flexibility to move to a new site as soon as one becomes available.

The monthly rental under the proposed lease is \$11,566 per month on a net basis, with Qwest agreeing to pay the costs of maintenance, utilities, insurance and in-lieu taxes. Because some portions of the facilities may need remodeling to be adapted for use as County offices, the lease period will allow staff time to undertake a study of the buildings to determine what modifications may be needed to adapt them to Lane County's needs.

B. Analysis

The monthly rental under the proposed lease is the same amount as Qwest is currently paying under their existing lease and is reasonable, based upon an independent appraisal commissioned by Lane County. The lease will become effective simultaneously with the closing of the transaction and the vesting of title in Lane County.

The lease arrangement will be mutually beneficial for the reasons outlined above, and the majority of the property is immediately usable by Public Works upon termination of the lease.

C. Alternatives/Options

1. Approve the attached Order authorizing the County Administrator to sign a lease under acceptable terms as described above, and a Memorandum of Lease.
2. Do not approve the Order, and direct staff otherwise.

D. Recommendations

Alternative No. 1 is recommended.

IV. IMPLEMENTATION/FOLLOW-UP

Upon authorization, the Lease and Memorandum of Lease will be processed for signature by the County Administrator. Staff will record the Memorandum to give public notice of the existence of the Lease.

V. ATTACHMENTS:

None.

**IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY
STATE OF OREGON**

ORDER NO.

(IN THE MATTER OF AUTHORIZING
(THE COUNTY ADMINISTRATOR TO
(SIGN A LEASE WITH QWEST
(CORPORATION CONCERNING
(TAX LOT 17-03-25-13 00500,
(LOCATED AT 3050 NORTH
(DELTA HIGHWAY.

WHEREAS, the Board approved the purchase of Tax Lot 17-03-18 00500 by Order 03-08-27-7, for the expansion of the Delta Public Works complex; and

WHEREAS, said property adjoins the existing Delta Public Works complex and is located at 3050 North Delta Highway; and

WHEREAS, ORS 271.310 allows for the lease of property not needed for public use for any period not exceeding 99 years, to a private individual or corporation; and

WHEREAS, said property is not immediately needed for public use in that portions of the property need modifications in order to adapt them for use by the County; and

WHEREAS, Qwest Corporation is the current tenant of the facility and has occupied it under lease since the 1970s, and is currently in the process of locating a replacement site, but was reluctant to commit to entering into a new lease for a replacement of the existing site until the acquisition by Lane County was completed; and

WHEREAS, Qwest has agreed to lease the property from Lane County during this interim, for an initial term of one year with an option to renew for an additional one year term, and with the option to terminate the lease with 30 days notice at any time during the initial or renewal term; and

WHEREAS, Qwest's remaining in occupancy of the property will give Public Works staff ample time to provide required relocation assistance while assuring a minimal disruption to Qwest's business due to not having to find a temporary location to meet their needs; and

WHEREAS, execution of the Lease would be beyond the authority delegated to the County Administrator in Lane Manual Chapter 21; NOW, THEREFORE

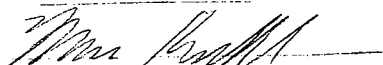
IT IS HEREBY ORDERED that the County Administrator be authorized to sign the Lease and Memorandum of Lease.

DATED this _____ day of _____, _____.

Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 6-3-04 lane county


CHERYL L. HESTON
CLERK OF BOARD OF COMMISSIONERS