

W. 5. C. 2.

AGENDA COVER MEMORANDUM

Agenda Date: May 6, 2009

DATE: April 22, 2009

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 24 MONTH LEASE AGREEMENT AT AN EXPENSE OF \$114,420 WITH HEINZ AND SUSAN SELIG FOR 6,450 SQ. FT. OF OFFICE SPACE AT 1900 W. 7TH AVE. FOR THE WIC PROGRAM

1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE COUNTY ADMINISTRATOR TO EXECUTE A 24 MONTH LEASE AGREEMENT AT AN EXPENSE OF \$114,420 WITH HEINZ AND SUSAN SELIG FOR 6,450 SQ. FT. OF OFFICE SPACE AT 1900 W. 7TH AVE. FOR THE WIC PROGRAM

2. **AGENDA ITEM SUMMARY:** The lease for office space for the WIC program expires on June 30, 2009. A two year renewal is being proposed and the total expenditure is beyond the limits authorized for the CAO to execute without the Board's authorization.

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

A. **Board Action and Other History**

The county began leasing the space in January, 1997 when it took over responsibility for the WIC program from the State. The lease has been renewed since that time in two year increments.

The WIC program is scheduled to move into the County owned Charnelton Place building in July, 2010. The proposed 2 year renewal will provide for cancellation of the lease upon 60 days written notice to the lessor.

Monthly rent for the first year will remain the same at .73/sq. ft. Actual monthly rent paid will be reduced to \$4,697 from \$5,110 due to the reduction of 550 sq. ft being leased (unused office/storage space). Monthly rent for the second year of the lease would increase 3% to \$4,838.

The lease requires the lessor to provide utilities, trash disposal, building maintenance and repair. The county provides janitorial services (a private vendor is used).

B. **Policy Issues**

Lane Manual 21.145 requires the Board's authorization for the CAO to execute leases in excess of \$100,000.

C. **Board Goals**

Authorizing the lease renewal will allow the WIC program to continue providing services.

D. **Financial and/or Resource Considerations**

The rent expenditure will be a charge to the WIC budget.

E. **Analysis**

The proposed agreement will allow the WIC program to continue in its current space with the 60 day cancellation provision providing the flexibility to move to Charnelton Place when the remodeling is completed.

The lease rate of \$.73 per sq. ft. is below market rent for the building (the owner leases other space in the building for \$.95 per sq. ft.). The building owners have been responsive to maintenance requests and upkeep of the premises. It would be difficult to find comparable space for a similar rental rate.

F. **Alternatives/Options**

1. Lease the space under the terms and conditions presented.
2. Direct staff to negotiate different terms and conditions as determined by the Board.

4. **Recommendation**

It is recommended that the County Administrator be authorized to execute the lease agreement pursuant to option 1.

5. **Timing/Implementation**

The lease needs to be executed prior to July 1, 2009 to maintain the tax exemption.

6. **FOLLOW-UP:**

Upon approval by the Board of County Commissioners, the County Administrator will execute the lease agreement within the given parameters.

7. **ATTACHMENTS:**

Board Order
Lease Renewal

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AUTHORIZING
THE COUNTY ADMINISTRATOR TO
EXECUTE A 24 MONTH LEASE
AGREEMENT AT AN EXPENSE OF
\$114,420 WITH HEINZ AND SUSAN
SELIG FOR 6,450 SQ. FT. OF OFFICE
SPACE AT 1900 W. 7TH AVE. FOR THE
WIC PROGRAM

WHEREAS this matter now coming before the Lane County Board of Commissioners and said Board deeming it in the best interest of Lane County to enter into a lease agreement with Heinz and Susan Selig (lessor) to provide office space for the Women and Infant Children nutrition program (WIC) and

WHEREAS said lease agreement is beyond the authority of the County Administrator to execute without the Board's authorization

IT IS HEREBY ORDERED that the County Administrator is authorized to execute a 24 month lease renewal with Heinz and Susan Selig with an expense of \$114, 420 for approximately 6,450 sq. ft. of office space located at 1900 W. 7th Avenue, Eugene, substantially similar to attached Exhibit "A".


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 _____, 20____.

Peter Sorenson, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 7-23-09 lane county


OFFICE OF LEGAL COUNSEL

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A 24 MONTH
LEASE AGREEMENT AT AN EXPENSE OF \$114,420 WITH HEINZ AND SUSAN SELIG FOR 6,450
SQ. FT. OF OFFICE SPACE AT 1900 W. 7TH AVE. FOR THE WIC PROGRAM

EXHIBIT A

**LEASE RENEWAL
SELIG/LANE COUNTY
WIC PROGRAM**

Whereas Lane County (lessee), a political subdivision of the State of Oregon, entered into a lease agreement with Heinz and Susan Selig (lessor) for the period January 1, 1997 through June 30, 1998 for approximately 7,000 square feet of office space located at 1900 West 7th Avenue, Eugene, and

Whereas said agreement was renewed for the periods July 1, 1998 through June 30, 2000; July 1, 2000 through June 30, 2002, July 1, 2002 through June 30, 2004, July 1, 2004 through June 30, 2006 and July 1, 2006 through June 30, 2009 and

Whereas lessee and lessor wish to again renew said lease agreement

The parties do hereby agree to extend said lease agreement for the period July 1, 2009 through June 30, 2011 subject to the following changes:

- A. Leased square footage shall be reduced from 7,000 square feet to 6,450 square feet with said reduction being the upstairs office/storage area.
- B. Monthly rent shall be \$4,697.00 for the first 12 months of the lease term. Rent for the second 12 months of the lease term shall be \$4,838.00.
- C. Lessee shall have the right to terminate this lease renewal any time upon 60 days written notice to Lessor.

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

Lane County:

Heinz and Susan Selig:

Jeff Spartz, County Administrator

Heinz Selig

Susan Selig

Dated

Dated