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**TO:** Board of County Commissioners

**DEPARTMENT:** Public Works

**PRESENTED BY:** Frank Simas, Right of Way Manager

**AGENDA ITEM TITLE:** In The Matter of Approving an Option Agreement with Pacific Continental Bank Regarding the Lease of a Portion of County-Owned Surplus Road Fund Property Located on River Avenue, Eugene, and Identified as Tax Lot 501 on Lane County Assessor's Map 17-04-13-22.

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**I. MOTION**

THAT THE ORDER BE APPROVED GRANTING PACIFIC CONTINENTAL BANK AN OPTION FOR A GROUND LEASE OF A PARCEL OF SURPLUS COUNTY-OWNED ROAD FUND PROPERTY.

**II. AGENDA ITEM SUMMARY**

Pacific Continental Bank (PCB) has requested an Option Agreement for a long-term lease of a portion of County-owned Road Fund Property proposed to be used for the construction and operation of a branch bank facility. The Option is as shown on Attachment 1, is for a period of 180 days and provides for payment to the County of \$22,000. The option period will allow the bank time to complete due diligence necessary to determine if the property can be used to construct a branch bank facility before entering into a lease, and will provide certainty to the bank that it will be entitled to lease the property should the project prove feasible.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

By Order 07-8-29-12, the Board authorized the County Administrator to sign an Intergovernmental Agreement (IGA) with Lane Transit District (LTD) regarding the sale of a portion of County-owned surplus Road Fund property located at 11 River Avenue, Eugene. In connection with the sale of the property and in accordance with the Proposed IGA, authorization was also given for the completion of a Land Partition in order to retain a portion of the County-owned property to be leased to produce a revenue stream to help support Road Fund operations in the future and to allow a leased portion of the property to be returned to the tax rolls.

The major elements of the IGA that was authorized by the Board included the assumption that a Land Partition would be required in order to sell to LTD the

land needed for the continued use as a transit station and for the retention by Lane County of a commercial lease "pad" that could be leased under a long-term ground lease for a commercial use to provide a continuing source of revenue for the Road Fund.

When additional research and analysis was completed, it became apparent that there were four existing legal lots within the Lane County property, and therefore a Land Partition of the property was not required and that a portion of the property could be conveyed and a portion retained utilizing only a Property Line Adjustment. This is a much simpler and less time-consuming process, which has now been completed. The reconfiguration of the property lines resulted in a total of 82,890 s. f. of land which has been sold to LTD, and a parcel 20,830 s. f. that has been retained by Lane County. The parcel proposed to be leased is described as Tract 1 on "Exhibit A".

Both a staff appraisal and an independent fee appraisal were completed on the Lane County property. Based on the analysis and conclusions contained in the appraisal as well as other market data, Pacific Continental Bank is interested in leasing the retained portion of the property near the northeast quadrant of the River Road-River Avenue intersection on a long-term basis for the construction of a branch bank.

Although the gross size of the proposed lease property is 20,830 s. f., there are portions of the property along both River Avenue and River Road where the public sidewalk encroaches onto the County property and which would not be available for use by the lessee. These areas total about 3,347 s. f., leaving a net usable area of 17,394 s. f.

The proposed lease would be based on a value for the property of \$32.00 per net square foot, an 8% annual rate of capitalization on a triple-net basis, (lessee to be responsible for the payment of all expenses related to the leased area including property taxes); a rental of \$44,520 (\$3,710 per month) for the initial 5-year term, and with the rental to be adjusted annually thereafter in accordance with the increase or decrease in the Consumer Price Index (CPI – All Urban Consumers). The option specifies an initial 25-year lease term with four 5-year options to renew.

The option obligates the County upon execution of a lease to pay to Campbell Commercial Real Estate, as agent for Pacific Continental Bank, the sum of \$35,600 as a commission for bringing the lease proposal to Lane County. By custom, this would normally be an expense borne by the lessor, and Pacific Continental Bank is agreeing to hold the County harmless with regard to any additional payment or obligations to Campbell Commercial related to this lease.

**B. Policy Issues**

This project is located within the City of Eugene, and it is mutually beneficial to the City and the County that this property be returned to the tax rolls. Leasing of the property will also provide a continuing revenue stream for the Road Fund, and if necessary the property could be sold with the lease in place.

**C. Board Goals**

This project addresses the County Goal of contributing to "appropriate community development in the area of transportation and telecommunications infrastructure, housing, growth management and land development."

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

This property is a Road Fund asset, and upon receipt of the option fee due under the option it will be credited to the Road Fund.

**E. Analysis**

The leasing of this property will provide funds to support continuing Road Fund operations and will allow the County to retain an appreciating asset, and receive an inflation-adjusted income stream for up to 45 years. The stability of the proposed tenant should ensure that if the County found it necessary for budgetary reasons to sell the property, it would be readily marketable to an investor with the lease in place.

The initial rental due under the proposed lease is in accordance with the estimated market value as concluded in the two appraisals, and the 8% capitalization rate on a "triple net" basis is considered very attractive when leasing to a tenant of this quality and stability.

**F. Alternatives/Options**

1. Approve the Order authorizing the County Administrative Officer to sign the Option Agreement.
2. Deny the Order and direct staff otherwise.

**V. TIMING/IMPLEMENTATION**

If the Board approves the Order, Public Works staff will notify PCB and will forward the Option to its leasing agent. If PCB determines to exercise its option, staff will return with a lease for approval by the Board.

## **OPTION AGREEMENT**

This Option Agreement (“Agreement”) is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2008 (“Effective Date”), by and between Lane County, a political subdivision of the State of Oregon (“County”) and Pacific Continental Bank, an Oregon state-chartered bank (“PCB”).

### **RECITALS**

- A. County owns real property situated on River Avenue, Eugene, Oregon, more particularly described as Lane County, Oregon Assessor’s Tax Lot No. 17-04-13-22-00501 and identified as “Tract 1” on Exhibit A, attached hereto and by this reference incorporated as if set forth in full (the “Property”).
- B. PCB has expressed to County an interest in entering into a long-term ground lease of the Property for the purpose of constructing and occupying a commercial banking branch office.
- C. PCB has requested and County has agreed to grant PCB an exclusive option to lease the Property subject to the terms and conditions of this agreement and such other terms as the parties mutually agree upon (the “Option”).
- D. This Agreement sets forth the parties’ understanding with regard to PCB’s exclusive option to lease the Property from County.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing Recitals, which by this reference are incorporated herein and made a part hereof, and the mutual covenants, conditions and obligations on the part of each party to be kept and performed, the parties agree as follows:

1. **OPTION FEE.** The fee for County’s grant of the Option to PCB shall be \$22,000.00 (“Option Fee”). By execution of this Agreement, County acknowledges receipt of payment in full from PCB. In the event PCB exercises the Option and County fails to execute a lease agreement as provided in this Agreement for any reason, including but not limited to the failure of the Lane County Commissioners to approve the terms of a lease agreement, County shall immediately refund the Option Fee to PCB in full satisfaction of any damages suffered by PCB due to such failure. In the event the Option is not exercised by PCB, or if PCB, through no failure by the County, fails to lease the Property as provided in this Agreement, County shall retain the Option Fee in full satisfaction of any damages suffered by County due to such failure.

2. OPTION PERIOD. The term of this Option is for a period of 180 days beginning on the Effective Date ("Option Period"). The Option Period may be extended for any period of time based upon the mutual written agreement of the parties.

3. PCB'S OPTION TO LEASE. During the Option Period, PCB has the sole and exclusive right to lease the Property from County subject to the terms of this Agreement. At any time during the Option Period, PCB may exercise the Option by delivering to County written notice stating that the option is exercised. PCB's notice must comply with Paragraph 9e below.

4. LEASE. Upon PCB's exercise of the Option, County shall lease to PCB and PCB shall lease from County the Property under a written lease agreement ("Property Lease"). The Property Lease must be approved by the Lane County Board of Commissioners and be executed by both parties, and must include the following terms without limitation:

- a. County shall deliver the Property in as-is condition at the time specified in the Property Lease agreement but no later than the expiration of the Option Period;
- b. The initial term of the Property Lease is twenty-five (25) years;
- c. PCB has the option to renew the Property Lease for four (4) additional consecutive five (5) year terms;
- d. Rent payable under the Property Lease is \$44,520.00 per year (or \$3,710.00 per month) for the first 5 years of the Property Lease term;
- e. Rent payable under the Property Lease after the first 5 years of the Property Lease term will be adjusted annually to reflect any change in the Consumer Price Index (CPI – All Urban Consumers, published by the US Department of Labor, Bureau of Labor Statistics), with no adjustments exceeding five percent (5%) over the previous rent calculation;
- f. PCB shall pay for fees typically associated with a triple-net real property lease, such as real property taxes, insurance and maintenance;
- g. PCB's site and improvement construction plans for the Property are subject to the prior written approval of County, and such approval will not be unreasonably withheld;
- h. PCB shall pay all fees and costs associated with the plans for development and construction of improvements on the Property, except that County will pay fifty percent (50%) up to a maximum of \$20,000 of the fees and costs incurred by PCB in connection with modification of the existing Property approach from River Avenue;

- i. PCB shall not sublease the Property without obtaining the prior written approval of the County, and such approval will not be unreasonably withheld; and
- j. Such other terms as the parties mutually agree upon.

5. **LEASING AGENT COMMISSION.** Campbell Commercial Real Estate (“Campbell”) represents PCB as leasing agent with regard to the Property. Campbell is not an agent of County and is not acting and has not acted on behalf of County with respect to this Agreement or the Property Lease that is the subject of this Agreement. Upon execution of the Property Lease, County will pay to Campbell the sum of \$35,600 as further consideration for the lease of the Property. PCB agrees to hold County harmless from any claims of Campbell or its agents with regard to the payment of any commission or fee related to the execution of the Property Lease.

6. **PCB RIGHT OF ENTRY.** PCB, its agents, employees, architects, and contractors have the right, upon prior written or verbal notice to County, to enter the Property from time to time during the Option Period to survey, inspect, conduct non-destructive tests, or otherwise examine and/or test the Property. PCB assumes all liability for damages to the Property and to any persons caused by the activities of PCB or its agents under this paragraph. PCB’s liability under this paragraph shall survive termination of this Agreement.

7. **RECORDING.** At the request of PCB and for purposes of recording in the Official Records of Lane County, Oregon, both parties shall execute a memorandum of this Agreement in form and substance reasonably satisfactory to PCB. PCB shall pay all fees, costs and expenses associated with recording of such memorandum.

8. **COUNTY REPRESENTATIONS AND WARRANTIES.** County represents and warrants to PCB the following:

- a. The undersigned has been given the full power and authority to sign and deliver this Agreement and to perform all of County’s obligations under this Agreement; and
- b. County has good title to the Property, free from all liens, pledges and other encumbrances except those of record as shown on the Preliminary Title report dated February 14, 2008, a copy of which is attached hereto and marked as Exhibit B. Prior to execution of the Property Lease and at PCB’s request, County shall provide PCB at County’s expense a title report confirming such title ownership.

9. **GENERAL**

- a. **Time of Essence.** Time is of the essence with respect to all dates and time periods in this Agreement.

- b. Assignment. Neither party may assign or delegate any of the party's rights or obligations under this Agreement to any person without the prior written consent of the other party, which the other party may withhold in the other party's sole discretion.
- c. Binding Effect. This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- d. Amendment. This Agreement may be amended only by a written agreement signed by the party against whom enforcement is sought.
- e. Notices. All notices or other communications required or permitted by this Agreement must be in writing and delivered to the parties at the addresses set forth below, or any other address that a party may designate by notice to the other party. A notice will be considered delivered upon actual receipt if delivered personally, by fax, or by a nationally recognized overnight delivery service or at the end of the third business day after the date of deposit, if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

To County:

Lane County Public Works  
 Attn: Frank Simas  
 3040 North Delta Highway  
 Eugene, OR 97408

To PCB:

Pacific Continental Bank  
 Attn: Mitch Hagstrom  
 PO Box 10727  
 Eugene, OR 97440-2727

- f. Hold Harmless. Subject to the limitation of the Oregon Tort Claims Act and any applicable provisions of the Oregon Constitution, County and PCB each agree to indemnify and save the other harmless from any claim, liability or damage resulting from any error, omission or act of negligence on the part of the indemnifying party, its officers, agents, employees, contractors, licensees, or lessees in connection with the execution of this Agreement or the rights granted pursuant to Section 6 above.
- g. Waiver. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
- h. Severability. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

- i. Further Assurances. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.
- j. No Third-Party Beneficiaries. The parties do not intend to confer any right or remedy on any third party.
- k. Governing Law. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.
- l. Venue. Any action or proceeding arising out of this Agreement will be litigated in courts located in Lane County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Lane County, Oregon.
- m. Entire Agreement. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, County and PCB have executed this Agreement effective as of the date first written above.

LANE COUNTY, OREGON

PACIFIC CONTINENTAL BANK

By: \_\_\_\_\_  
 Jeff Spartz, County Administrator

By: \_\_\_\_\_  
 Mitch Hagstrom,  
 President, Greater Eugene Market

APPROVED AS TO FORM

Date \_\_\_\_\_ Lane County

\_\_\_\_\_  
 OFFICE OF LEGAL COUNSEL



## EXHIBIT "A"

### LEGAL DESCRIPTION FOR TRACTS 1 AND 2

#### TRACT 1 ("The Property")

Beginning at a point on the Southerly right-of-way of County Road No. 1353 (known as Beltline Road) as said road was surveyed in 1964, opposite and 95 feet distant Southerly of Engineer's Centerline Station L128+05.00, said point also being 2371.57 feet South and 1466.10 feet West of the South Southeast corner of the L. Poindexter Donation Land Claim No. 52, in Section 12, Township 17 South, Range 4 West of the Willamette Meridian; thence South 53°53'15" West 102.16 feet; thence South 38°58'37" West 115.43 feet; thence South 19°10'08" West 240.36 feet to the north margin of River Avenue; thence along said north margin South 82°42'13" West 114.44 feet to the True Point of Beginning; thence continuing South 82°42'13" West 123.09 feet to the easterly margin of River Road; thence along said easterly margin (being common to east bound on-ramp of said County Road No. 1353, known as Beltline Road) North 07°10'02" East 21.88 feet; and North 12°13'47" West 76.32 feet; thence leaving said east margin bearing North 78°49'17" East 21.63 feet; thence North 10°21'12" West 34.26 feet; thence North 79°37'51" East 178.13 feet; thence South 19°58'39" West 160.27 feet to the True Point of Beginning, all in Lane County, Oregon.

#### TRACT 2 ("The Adjacent Property")

Beginning at a point on the Southerly right-of-way of County Road No. 1353 (known as Beltline Road) as said road was surveyed in 1964, opposite and 95 feet distant Southerly of Engineer's Centerline Station L128+05.00, said point also being 2371.57 feet South and 1466.10 feet West of the South Southeast corner of the L. Poindexter Donation Land Claim No. 52, in Section 12, Township 17 South, Range 4 West of the Willamette Meridian; thence South 53°53'15" West 102.16 feet; thence South 38°58'37" West 115.43 feet; thence South 19°10'08" West 240.36 feet to the north margin of River Avenue; thence along said north margin South 82°42'13" West 114.44 feet; thence leaving said north margin bearing North 19°58'39" East 160.27 feet; thence South 79°37'51" West 178.13 feet; thence South 10°21'12" East 34.26 feet; thence South 78°49'17" West 21.63 feet to the east bound on-ramp of said County Road No. 1353 (known as Beltline Road); thence North 12°13'47" West 29.70 feet; thence North 04°01'07" West 108.13 feet; thence North 12°26'26" East 52.04 feet; thence North 58°06'50" East 71.16 feet; thence North 81°23'11" East 171.10 feet; thence North 76°07'20" East 154.83 feet; thence North 77°51'02" East 108.29 feet to the Point of Beginning, all in Lane County, Oregon.

EXHIBIT B

1651 CENTENNIAL BLVD. • SPRINGFIELD, OR 97477  
P.O. BOX 931 • SPRINGFIELD, OR 97477  
PHONE: 541.741.1981  
FAX: 541.741.0619



875 COUNTRY CLUB RD. • EUGENE, OR 97401  
P.O. BOX 10211 • EUGENE, OR 97401  
PHONE: 541.687.9795  
FAX: 541.687.0995

TITLE INSURANCE SERVICES • ESCROW CLOSINGS

PRELIMINARY TITLE REPORT

February 14, 2008

ELT-49317-A

Lane County Public Works  
3040 North Delta Highway  
Eugene, Oregon 97408-1696  
Attn: Frank Simas

Estimated Premium for:  
PARTIAL BILLING  
  
TOTAL

\$200.00  
  
\$200.00

Dear Frank:

We are prepared to write Title Insurance covering the following described premises to-wit:

SEE ATTACHED

Showing fee simple title as of February 12, 2008, at 8:00 a.m., vested in:

LANE COUNTY,  
a political subdivision of the State of Oregon

Subject to the usual printed exceptions, and

1. The real property taxes for the fiscal year 2007-2008 are exempted by virtue of governmental ownership. The company assumes no liability should the exempt status be lifted and taxes levied. (Map No. 17-04-13-22-00500, Code 04-00, Account No. 1166824)
2. Access Restrictions as contained in Deed Recorded May 24, 1961, Reception No. 33071, Lane County Oregon Records.
3. Sewer Easement, granted to the City of Eugene, a municipal corporation of Lane County, State of Oregon, including the terms and provisions thereof, by instrument Recorded April 21, 1980, Reception No. 80-20134, Lane County Oregon Records.
4. Easement Agreement, including the terms and provisions thereof.  
NOTE: Said Easement Agreement to be recorded concurrently with sale of Tract 2.

CONTINUED

**EXHIBIT B**

ELT - 49317-A

Page 2

NOTE: The address of the property to be insured herein is: 11 RIVER AVENUE, EUGENE, OREGON 97404.

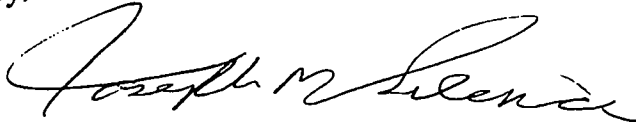
NOTE: A JUDGEMENT/LIEN SEARCH was done for the name(s) LANE COUNTY, and as of February 12, 2008, none were found.

NOTE: Said property lies outside the city limits, therefore, is not subject to city liens.

Very truly yours,

EVERGREEN LAND TITLE COMPANY  
HOME OFFICE

By:

A handwritten signature in cursive script that reads "Joseph M. Silence".

Joseph M. Silence  
Title Officer

NO LIABILITY IS ASSUMED HEREUNDER UNTIL POLICY IS ISSUED AND PREMIUM PAID. IF FOR ANY REASON THE REPORT IS CANCELLED, A MINIMUM CANCELLATION FEE OF \$230.00 WILL BE CHARGED.

## EXHIBIT B

ELT - 49317-A  
Page 1 of 1  
Legal Description

Beginning at a point on the Southerly right-of-way of County Road No. 1353 (known as Beltline Road), as said road was surveyed in 1964, opposite and 95 feet distant Southerly of Engineer's Centerline Station L128+05.00, said point also being 2371.57 feet South and 1466.10 feet West of the South Southwest corner of the L. Poindexter Donation Land Claim No. 52, in Section 12, Township 17 South, Range 4 West of the Willamette Meridian; thence South 53° 53' 15" West 102.16 feet; thence South 38° 58' 37" West 115.43 feet; thence South 19° 10' 08" West 240.36 feet to the North margin of River Avenue; thence along said North margin South 82° 42' 13" West 114.44 feet to the True Point of Beginning; thence continuing South 82° 42' 13" West 123.09 feet to the Easterly margin of River Road; thence along said Easterly margin (being common to East bound on-ramp of said County Road No. 1353, known as Beltline Road) North 07° 10' 02" East 21.88 feet, and North 12° 13' 47" West 76.32 feet; thence leaving said East margin bearing North 78° 49' 17" East 21.63 feet; thence North 10° 21' 12" West 34.26 feet; thence North 79° 37' 51" East 178.13 feet; thence South 19° 58' 39" West 160.27 feet to the True Point of Beginning, all in Lane County, Oregon.

EXHIBIT B

1104-13-22

L3  
400' SP  
a=1.0  
S=8'00'

SE DATA  
P.C. CL  
A=2°59'16"  
T=74.71'  
R=2864.789'

POTTER'S

500  
2.49 AC.

ORDER 76-9-1-3

600  
1.10 AC.

RIVER AVENUE

1500  
4.50 AC.

160  
1.58 AC.

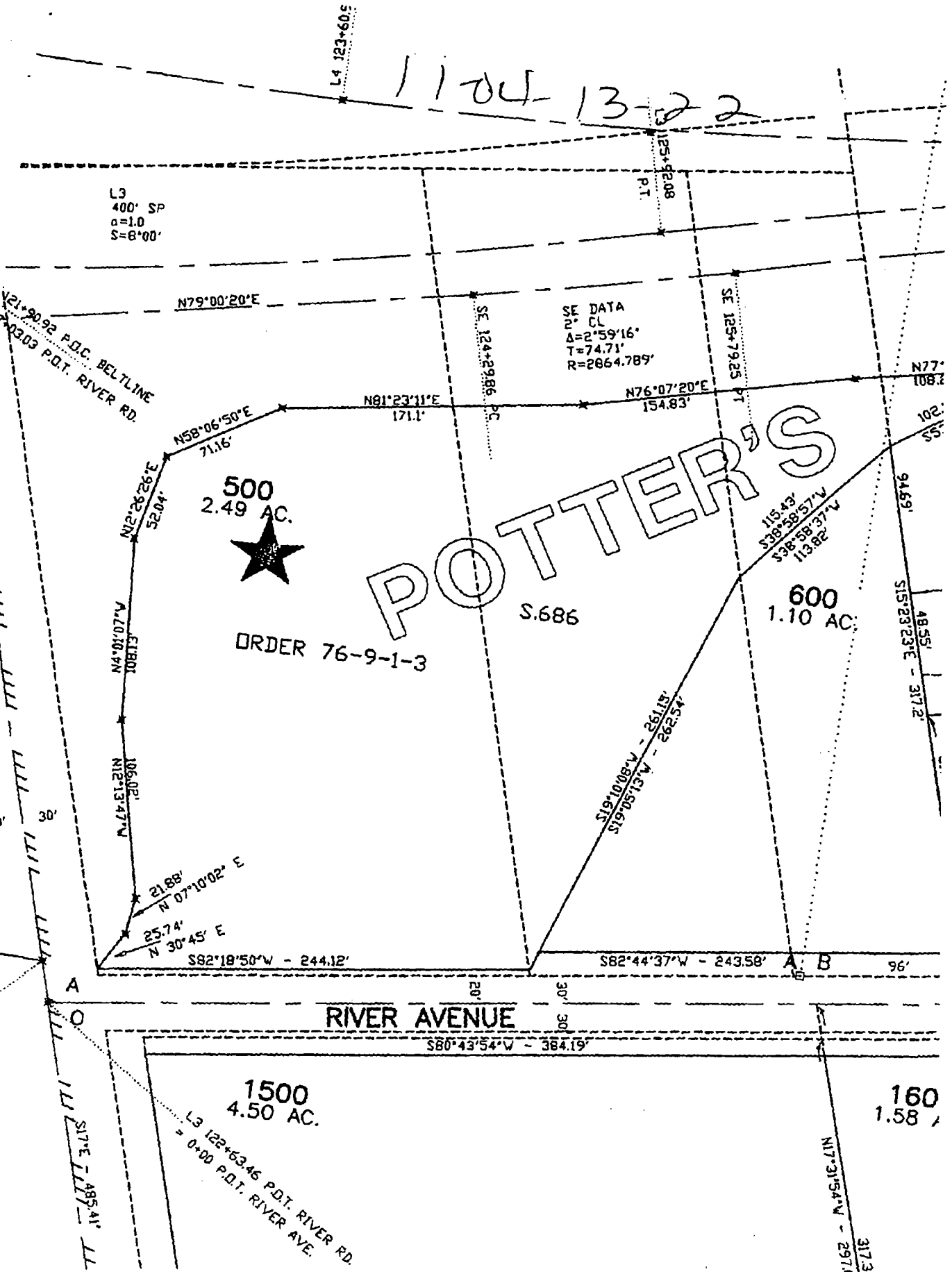
N21°30'02" P.D.C. BELTLINE  
7°33'03" P.D.T. RIVER RD.

200)

P.D.T. RIVER RD.  
SILVER LANE

SITE LANE

L3 122°43'46" P.D.T. RIVER RD.  
= 0°00' P.D.T. RIVER AVE.



## EXHIBIT B

# Privacy Policy Notice

As adopted July 1, 2001

Evergreen Land Title Company  
Private Policy Notice

## PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Evergreen Land Title Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

**WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

## ATTACHMENT 1

### LEGAL DESCRIPTION FOR ACCESS EASEMENT

An easement, variable in width, being more particularly described as follows: Beginning at a point on the Southerly right-of-way of County Road No. 1353 (known as Beltline Road) as said road was surveyed in 1964, opposite and 95 feet distant Southerly of Engineer's Centerline Station L128+05.00, said point also being 2371.57 feet South and 1466.10 feet West of the South Southeast corner of the L. Poindexter Donation Land Claim No. 52, in Section 12, Township 17 South, Range 4 West of the Willamette Meridian; thence South 53°53'15" West 102.16 feet; thence South 38°58'37" West 115.43 feet; thence South 19°10'08" West 240.36 feet to the north margin of River Avenue; thence along said north margin South 82°42'13" West 114.44 feet to the True Point of Beginning; thence leaving said north margin bearing North 19°58'39" East 161.18 feet; thence South 72°41'38" East 22.23 feet; thence South 19°11'05" West 149.71 feet returning to said north margin of River Avenue; thence along said north margin South 82°42'13" West 27.32 to the True Point of Beginning, all in Lane County, Oregon.

Approving Option Agreement  
Lane County and PCB

**VI. RECOMMENDATION**

Option 1.

**VII. FOLLOW-UP**

N. A.

**VII. ATTACHMENTS**

Exhibit A – Legal Description  
Attachment 1 – Form of Option Agreement



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

**ORDER NO.**

( **IN THE MATTER OF APPROVING AN**  
( **OPTION AGREEMENT WITH PACIFIC**  
( **CONTINENTAL BANK REGARDING THE**  
( **LEASE OF A PORTION OF COUNTY-**  
( **OWNED SURPLUS ROAD FUND PROPERTY**  
( **LOCATED ON RIVER AVENUE, EUGENE,**  
( **AND IDENTIFIED AS TAX LOT 501 ON LANE**  
( **COUNTY ASSESSOR'S MAP 17-04-13-22**

**WHEREAS**, by Order 07-8-29-12, the board authorized the County Administrator to sign an Intergovernmental Agreement (IGA) with Lane Transit District (LTD) regarding the sale of a portion of County-owned surplus Road Fund property located at 11 River Avenue, Eugene, and also authorized the completion of a Land Partition in order to retain a portion of the property to be leased to produce revenue to help support Road Fund operations in the future; and

**WHEREAS**, additional research disclosed that there were four existing legal lots within the Lane County property and that a portion could be sold and a portion retained through completion of a Property Line Adjustment which has now been completed and allowed approximately 82,890 square feet of land to be sold to LTD and approximately 20,830 s. f. to be retained and leased to provide revenue for the Road Fund in the future; and

**WHEREAS**, Pacific Continental Bank (PCB) has requested an Option Agreement for a long term lease of said retained property as described on "Exhibit A" attached hereto and incorporated herein by reference, in order to complete due diligence to determine if the property can be used for the construction of a branch bank facility before entering into a lease; and

**WHEREAS**, the terms of said option agreement provide for the payment to the County of an option fee in the amount of \$22,000 for a 180-day option to lease the property under a lease, the terms of which would specify a monthly rental of \$3,710 per month on a "triple net" basis for the initial 5 years of the initial term, with annual rental adjustments thereafter consistent with the change in the Consumer Price Index (CPI – all Urban Consumers); with the increase in any one year limited to a maximum of 5% over the previous year's rental amount; and

**WHEREAS**, the proposed lease will provide for an initial 25-year term, with four five-year options to renew; and the lease, if entered into by PCB, will require payment of \$35,600 by Lane County to Campbell Commercial Real Estate, working as an agent of PCB, as further consideration for entering into the lease; and

**WHEREAS**, ORS 271.310(1) allows the lease of property not needed for public use whenever the public interest may be furthered; and the subject property is not needed for any public use now or in the foreseeable future and the public interest will be furthered by the return of the property to the tax rolls

**NOW THEREFORE BE IT**

**ORDERED** that the County Administrator is hereby authorized to sign the Option Agreement granting PCB the option to lease the property described on "Exhibit A" in accordance with the general terms as set forth above; and

**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 \_\_\_\_\_, 2008.

\_\_\_\_\_  
Faye Stewart, Chair  
Board of County Commissioners

APPROVED AS TO FORM:

Date: 9-22-08



\_\_\_\_\_  
Lane County Office of Legal Counsel

## EXHIBIT "A"

### LEGAL DESCRIPTION

#### TRACT 1 ("The Property")

Beginning at a point on the Southerly right-of-way of County Road No. 1353 (known as Beltline Road) as said road was surveyed in 1964, opposite and 95 feet distant Southerly of Engineer's Centerline Station L128+05.00, said point also being 2371.57 feet South and 1466.10 feet West of the South Southeast corner of the L. Poindexter Donation Land Claim No. 52, in Section 12, Township 17 South, Range 4 West of the Willamette Meridian; thence South 53°53'15" West 102.16 feet; thence South 38°58'37" West 115.43 feet; thence South 19°10'08" West 240.36 feet to the north margin of River Avenue; thence along said north margin South 82°42'13" West 114.44 feet to the True Point of Beginning; thence continuing South 82°42'13" West 123.09 feet to the easterly margin of River Road; thence along said easterly margin (being common to east bound on-ramp of said County Road No. 1353, known as Beltline Road) North 07°10'02" East 21.88 feet; and North 12°13'47" West 76.32 feet; thence leaving said east margin bearing North 78°49'17" East 21.63 feet; thence North 10°21'12" West 34.26 feet; thence North 79°37'51" East 178.13 feet; thence South 19°58'39" West 160.27 feet to the True Point of Beginning, all in Lane County, Oregon.

#### TRACT 2 ("The Adjacent Property")

Beginning at a point on the Southerly right-of-way of County Road No. 1353 (known as Beltline Road) as said road was surveyed in 1964, opposite and 95 feet distant Southerly of Engineer's Centerline Station L128+05.00, said point also being 2371.57 feet South and 1466.10 feet West of the South Southeast corner of the L. Poindexter Donation Land Claim No. 52, in Section 12, Township 17 South, Range 4 West of the Willamette Meridian; thence South 53°53'15" West 102.16 feet; thence South 38°58'37" West 115.43 feet; thence South 19°10'08" West 240.36 feet to the north margin of River Avenue; thence along said north margin South 82°42'13" West 114.44 feet; thence leaving said north margin bearing North 19°58'39" East 160.27 feet; thence South 79°37'51" West 178.13 feet; thence South 10°21'12" East 34.26 feet; thence South 78°49'17" West 21.63 feet to the east bound on-ramp of said County Road No. 1353 (known as Beltline Road); thence North 12°13'47" West 29.70 feet; thence North 04°01'07" West 108.13 feet; thence North 12°26'26" East 52.04 feet; thence North 58°06'50" East 71.16 feet; thence North 81°23'11" East 171.10 feet; thence North 76°07'20" East 154.83 feet; thence North 77°51'02" East 108.29 feet to the Point of Beginning, all in Lane County, Oregon.