

W. 8. D. 3.

## AGENDA COVER MEMORANDUM

Agenda Date: June 7, 2006

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**DATE:** May 23, 2006

**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 36 MONTH LEASE AGREEMENT AT AN EXPENSE OF \$183,528 WITH HEINZ AND SUSAN SELIG FOR 7000 SQ. FT. OF OFFICE SPACE AT 1900 W. 7TH AVE. FOR THE WIC PROGRAM

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1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE COUNTY ADMINISTRATOR TO EXECUTE A 36 MONTH LEASE AGREEMENT AT AN EXPENSE OF \$183,528 WITH HEINZ AND SUSAN SELIG FOR 7000 SQ. FT. OF OFFICE SPACE AT 1900 W. 7TH AVE. FOR THE WIC PROGRAM
2. **ISSUE/PROBLEM:** The lease for 7,000 sq. ft. of office space for the WIC program expires on June 30, 2006. A three year renewal is being proposed with monthly rent increasing to \$5,068.00 from \$4,875.83 (4.6% increase). The monthly rent will remain the same during the entire lease term.

The agreement is beyond the authority of the County Administrator to execute without the Board's authorization.

3. **DISCUSSION:**

- 3.1 Background

The county began leasing the space in January, 1997 when it took over responsibility for the WIC program from the State. The county assumed the remainder of the lease term through June, 1998. The lease has been renewed since that time in two year increments. A 3 year renewal is being proposed as Karen Gillette, program manager in H&HS, anticipates

needing the space for at least that length of time. The renewal does provide for cancellation of the lease any time after the first 12 months upon 60 days written notice.

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

### 3.2 Analysis

The lease rate of \$.724 per sq. ft. is below market rent for the building (the owner leases other space in the building for \$.85 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.

### 3.3 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.

### 3.4 Recommendation

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

### 3.5 Timing

The lease needs to be executed prior to July 1, 2006 to qualify for a tax exemption.

4. **IMPLEMENTATION/FOLLOW-UP:** Upon approval by the Board of County Commissioners, the County Administrator will execute the lease agreement within the given parameters.
5. **ATTACHMENTS:**  
Board Order  
Lease Renewal  
Original Lease Agreement

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.                    IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A 36 MONTH LEASE AGREEMENT AT AN EXPENSE OF \$183,528 WITH HEINZ AND SUSAN SELIG FOR 7000 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 36 month lease renewal with Heinz and Susan Selig for approximately 7,000 ft. of office space located at 1900 W. 7<sup>th</sup> 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\_\_\_\_.

\_\_\_\_\_  
Bill Dwyer, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM  
5-30-06  
*[Signature]*  
C. J. [unclear]

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A 36 MONTH LEASE AGREEMENT AT AN EXPENSE OF \$183,528 WITH HEINZ AND SUSAN SELIG FOR 7000 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 and July 1, 2004 through June 30, 2006

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, 2006 through June 30, 2009 subject to the following changes:

- A. The monthly rent payment shall be increased from \$4,875.83 to \$5,098.00
- B. The "market" rent noted in the last sentence of section 2.1 of the original lease agreement shall be \$6,078.50 per month.
- C. Lessee shall have the right to terminate this lease renewal any time after the first 12 months upon 60 days written notice to Lessor.
- D. Pursuant to Section 8.1.2 (Fire Insurance) of the original lease agreement, Lessor acknowledges that Lessee is self insured per ORS 30.260-30.300 for the insurance coverage required per said Section 8.1.2 and that said self insurance shall be acceptable for fulfilling the requirements of Section 8.1.2.

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:**

\_\_\_\_\_  
William Van Vactor, Administrator

\_\_\_\_\_  
Heinz Selig

\_\_\_\_\_  
Susan Selig

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated