

AGENDA COVER MEMORANDUM

W. A. B.

Memorandum Date: November 7, 2006

Agenda Date: November 21, 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 THREE YEAR LEASE EXTENSION OPTION WITH AN EXPENSE OF \$300,670 FOR THE RIVERSTONE HEALTH CLINIC LOCATED AT 1640 G STEET, SPRINGFIELD

1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE COUNTY ADMINISTRATOR TO EXECUTE A THREE YEAR LEASE EXTENSION OPTION WITH AN EXPENSE OF \$300,670 FOR THE RIVERSTONE HEALTH CLINIC LOCATED AT 1640 G STEET, SPRINGFIELD

2. **AGENDA ITEM SUMMARY:**

The three year lease agreement for the Riverstone Clinic expires January 31, 2007. The lease provides the option for the County to extend the lease under the same terms and conditions for an additional three years upon giving written notice not less than 60 days before expiration of the lease.

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

A. **Board Action and Other History**

Pursuant to Order 04-1-14-5, the Board authorized entering into a three year lease agreement, with a three year renewal option, for space for a Community Health Center at 1640 G Street, Springfield. The initial agreement was with LGR Associates who subsequently sold the premises to Beaver Investments, LLC.

B. **Policy Issues**

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

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

Rental costs will be \$300,670 over the three year lease term.

E. Analysis

The initial lease provided for a three year extension under the same terms and conditions. The terms include 3% annual increases to rental costs. Not renewing the lease as provided for would allow the lessor to renegotiate terms of the lease, including rental costs, or to not extend the lease at all. Steve Manela, Human Services Commission Manager, is satisfied with the current lease terms and has asked that the lease be renewed.

F. Alternatives/Options

1. Authorize the County Administrator to execute a document to extend the lease per the lease terms.
2. Do not authorize extending the lease under the same terms and conditions and direct staff to renegotiate lease terms.
3. Do not authorize extending the lease and discontinue operations of the Health Clinic.

V. TIMING/IMPLEMENTATION

Implementation of Option 1 will occur immediately upon the Board's approval.

VI. RECOMMENDATION

It is recommended that Option 1 be pursued.

VII. FOLLOW-UP

Upon approval by the Board, the County Administrator will send a letter to the Lessor (Beaver Investments) informing them of the County's desire to extend the lease.

VII. ATTACHMENTS

Board Order
Order 04-1-14-5

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A THREE YEAR LEASE EXTENSION OPTION WITH AN EXPENSE OF \$300,670 FOR THE RIVERSTONE HEALTH CLINIC LOCATED AT 1640 G STREET, SPRINGFIELD

WHEREAS Lane County, pursuant to Order 04-1-14-5, entered into a 3 year lease agreement with Beaver Investments, LLC for space at 1640 G Street, Springfield to operate a federally funded Community Health Clinic and

WHEREAS said agreement provided for a three year renewal upon written notice by the County that it wishes to do so and


WHEREAS Lane County does wish to continue operating the Community Health Clinic to provide comprehensive medical services to low income citizens of Lane County

IT IS HEREBY ORDERED that the County Administrator is authorized to execute necessary documents to extend the lease with Beaver Investments, LLC for space at 1640 G. Street, Springfield housing the Riverstone Health Clinic pursuant to the terms of the lease agreement with an expense of \$300,670

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 _____, 2006.

Bill Dwyer, Chair, Board of County Commissioners

11-9-06


PASSED

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. ORDER/IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A 3 YEAR LEASE AGREEMENT WITH AN ADDITIONAL 3 YEAR COUNTY OPTION WITH LGR ASSOCIATES FOR PROPERTY LOCATED AT 1640 G STREET, SPRINGFIELD TO BE USED FOR A COUNTY OPERATED COMMUNITY HEALTH CENTER AT A LEASE EXPENSE OF \$575,817
04-1-14-5

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 LGR Associates (lessor) in order to provide space for a Community Health Clinic and

WHEREAS said Clinic will provide comprehensive medical services to low income citizens of Lane County and the Board has previously authorized funding and additional staff positions for the Clinic pursuant to Order 3-11-5-9 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 lease agreement with LGR Associates 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 14th day of Jan, 2004

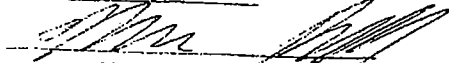


Bobby Green, Chair
Lane County Board of Commissioners

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A 3 YEAR LEASE AGREEMENT WITH AN ADDITIONAL 3 YEAR COUNTY OPTION WITH LGR ASSOCIATES FOR PROPERTY LOCATED AT 1640 G STREET, SPRINGFIELD TO BE USED FOR A COUNTY OPERATED COMMUNITY HEALTH CENTER AT A LEASE EXPENSE OF \$575,817

APPROVED AS TO FORM

Date 1-12-04 lane county



COUNSEL