



Deschutes County Board of Commissioners
1300 NW Wall St., Suite 200, Bend, OR 97701-1960
(541) 388-6570 - Fax (541) 385-3202 - www.deschutes.org

AGENDA REQUEST & STAFF REPORT

For Board Business Meeting of April 27, 2016

Please see directions for completing this document on the next page.

DATE: April 19, 2016

FROM: James Lewis Property & Facilities 541-385-1414

TITLE OF AGENDA ITEM:

Consideration of Board signature of Document 2016-213, a Lease between Deschutes County and Cascades East Transit / Central Oregon Intergovernmental Council for office space in the South County Services Building.

PUBLIC HEARING ON THIS DATE? No

BACKGROUND AND POLICY IMPLICATIONS:

Central Oregon Intergovernmental Council (COIC) - Cascades East Transit wishes to lease approximately 168 square feet of office space in the South County Services Building / Road Department Shops to operate the Cascades East Transit service for residents of southern Deschutes County. Cascades East Transit operates under the auspices of the Central Oregon Intergovernmental Council. The lease will allow for a consolidation of office space and the location where transit busses are currently kept and maintained. The term of the lease is two (2) years, two (2) months (commencing May 1, 2016 and ending June 30, 2018), with an option to renew for one year.

FISCAL IMPLICATIONS:

Annual rental income is \$2,100 (\$175/month, including utilities and CAM).

RECOMMENDATION & ACTION REQUESTED:

Staff recommends signature of Document 2016-213.

ATTENDANCE: James Lewis

DISTRIBUTION OF DOCUMENTS:

One original to James Lewis for the Lessee.

DESCHUTES COUNTY DOCUMENT SUMMARY

(NOTE: This form is required to be submitted with ALL contracts and other agreements, regardless of whether the document is to be on a Board agenda or can be signed by the County Administrator or Department Director. If the document is to be on a Board agenda, the Agenda Request Form is also required. If this form is not included with the document, the document will be returned to the Department. Please submit documents to the Board Secretary for tracking purposes, and not directly to Legal Counsel, the County Administrator or the Commissioners. In addition to submitting this form with your documents, please submit this form electronically to the Board Secretary.)

Please complete all sections **above** the Official Review line.

Date:

Department:

Contractor/Supplier/Consultant Name:

Contractor Contact:

Contractor Phone #:

Type of Document: Office Space Lease

Goods and/or Services: N/A

Background & History: Central Oregon Intergovernmental Council (COIC) - Cascades East Transit wishes to lease approximately 168 square feet of office space in the South County Services Building / Road Department Shops to operate the Cascades East Transit service for residents of southern Deschutes County. Cascades East Transit operates under the auspices of the Central Oregon Intergovernmental Council. The lease will allow for a consolidation of office space and the location where transit busses are currently kept and maintained. The term of the lease is two (2) years, two (2) months (commencing may 1, 2016 and ending June 30, 2018), with an option to renew for one year.

Agreement Starting Date:

Ending Date:

Annual Value or Total Payment:

Insurance Certificate Received (check box)
Insurance Expiration Date: 12-31-2016

N/A

Check all that apply:

- RFP, Solicitation or Bid Process
 - Informal quotes (<\$150K)
 - Exempt from RFP, Solicitation or Bid Process (specify – see DCC §2.37)
-

N/A

Funding Source: (Included in current budget? Yes No

If **No**, has budget amendment been submitted? Yes No

Is this a Grant Agreement providing revenue to the County? Yes No

Special conditions attached to this grant:

Deadlines for reporting to the grantor:

If a new FTE will be hired with grant funds, confirm that Personnel has been notified that it is a grant-funded position so that this will be noted in the offer letter: Yes No

Contact information for the person responsible for grant compliance: Name:
Phone #:

Departmental Contact and Title: James Lewis **Phone #:** 385-1414

Department Director Approval:  4/14/16
Signature Date

Distribution of Document: One original to James Lewis for the Lessee.

Official Review:

County Signature Required (check one): BOCC Department Director (if <\$25K)

Administrator (if >\$25K but <\$150K; if >\$150K, BOCC Order No. _____)

Legal Review _____ Date _____

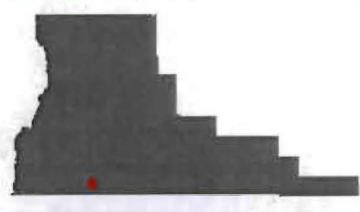
Document Number **2016-213**

EXHIBIT A

51340 S. Highway 97, La Pine, OR



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community - Deschutes County GIS



REVIEWED

LEGAL COUNSEL

LEASE

This Lease is made by and between DESCHUTES COUNTY, a political subdivision of the State of Oregon ("Lessor"), and Central Oregon Intergovernmental Council ("Lessee").

Lessor hereby leases to Lessee and Lessee takes from Lessor the "Premises" described as follows:

Approximately one hundred sixty-eight (168) square feet of office space in the South County Services Building / Road Department Shops, located at 51340 S. Highway 97, La Pine, Oregon 97739, (the "Premises"), as shown on Exhibit A, with use of parking lots as specified in Section 5, herein.

The parties agree that the terms of this Lease are as follows:

1. Term and Renewal. The effective date of this Lease shall be May 1, 2016, and shall continue until June 30, 2018. This Lease may be terminated by either party upon sixty (60) days' prior written notice.

If this Lease is not terminated and Lessee is not in default, Lessee shall have the option to renew this Lease upon the same terms for one successive term of twelve (12) months (from July 1, 2018 to June 30, 2019).

2. Rent. Lessee shall pay to Lessor as rent the sum of One Hundred Seventy-Five Dollars (\$175.00) per month for rent, commencing on the effective date specified in Section 1 above. Lessor will invoice Lessee for payment of Rent, notwithstanding those services and supplies that are the responsibility of Lessee as specified in Section 9(a), herein. Lease payments are due upon the first day of the month, with invoices mailed on or around the 15th of the preceding month. Payments shall be mailed or delivered to the office of Deschutes County Property & Facilities Department, PO Box 6005, Bend, Oregon 97708-6005, or at such other place as may be designated in writing by Lessor. Any partial months shall be prorated. Notwithstanding the provisions listed herein, nothing shall alleviate Lessee from the obligation for Rent during the effective term of the Lease.
3. Use of Premises. Lessee shall use the Premises for office space for the operation of Cascades East Transit, a program of Central Oregon Intergovernmental Council, in southern Deschutes County, including the parking of no more than 2 busses, unless written permission for additional busses is obtained from Lessor. Lessee, its principals or agents shall not use the Premises to operate a business other than that specified in this Lease and shall not use the Premises address as the business or mailing address for any other business than that specified in this Lease without obtaining the Lessor's written consent in advance.
4. Possession. Lessor shall provide Lessee with a security badge or keyed access to the Premises during the term of the Lease as may be applicable.

5. Parking. Lessee, its employees, and clientele shall have a nonexclusive right to access and utilize vehicle parking spaces in County parking lots, including the parking of Cascade East Transit Buses in areas so designated. Lessee's employees shall be required to adhere to the County Parking Policy and Regulations, which County in its sole discretion may amend from time to time.
6. Restrictions on Use. In connection with the use of the Premises, Lessee shall:
 - a) Conform to all applicable laws and regulations affecting the Premises and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use of the Premises. Lessee shall not be required to make any structural changes to affect such compliance, unless such changes are required because of Lessee's specific use.
 - b) Refrain from any use which would be reasonably offensive to the Lessor, other tenants, or owners or users of adjoining property or unoccupied portions of the real property, or which would tend to create a nuisance or damage the reputation of the real property.
 - c) Refrain from making any unlawful or offensive use of said property or to suffer or permit any waste or strip thereof.
 - d) Exercise diligence in protecting from damage the real property and common area of Lessor covered by and used in connection with this Lease.
 - e) Be responsible for removing any liens placed on said property as a result of Lessee's use of leased premises.
 - f) Comply with Lessor's policies regarding smoking, fragrances, facilities maintenance, county meeting rooms use, and violence in the workplace.
7. Lessee's Obligations. The following shall be the responsibility of the Lessee:
 - a) Lessee shall not be required to make structural repairs that would place the Premises in a better condition than at the commencement of this lease.
 - b) Any repairs necessitated by the negligence of Lessee, its agents, employees or invitees.
 - c) Any repairs or alterations required under Lessee's obligation to comply with laws and regulations as set forth in "Restrictions on Use" above.
8. Lessor's Obligations.
 - a) Lessor shall perform all necessary maintenance and repairs to the structure, foundation, exterior walls, roof, doors and windows, elevators, emergency lighting, flooring, and Lessor-provided fire extinguishers, sidewalks, and parking area which are located on or serve the Premises. Lessor shall maintain the premises in a hazard free condition and shall repair or replace, if necessary and at Lessor's sole expense, the heating, air conditioning, plumbing, electrical, and lighting systems in the Premises, obtaining required permits and inspections from Codes enforcement authorities, and

shall keep the Premises, improvements, grounds and landscaping in good repair and appearance replacing dead, damaged or diseased plant materials when necessary. Lessor shall replace ceiling fixture light bulbs.

b) Should Lessor fail to maintain the Premises in accordance with above requirements, and after at least fourteen (14) days prior written notification to Lessor, Lessee may contract for necessary labor equipment and material to bring Premises within those requirements and may deduct reasonable and necessary costs from future rent payments.

c) Lessee shall take good care of the interior of the Premises and at the expiration of the Term surrender the Premises in as good condition as at the commencement of this Lease, excepting only reasonable wear, permitted alterations, and damage by fire or other casualty.

9. Utilities, Services and Real Property Tax

a) Lessor will cause the utilities and services listed below to be furnished to the Premises as applicable. Charges shall be paid as indicated:

<u>Utility or Service</u>	<u>Monthly Charges Paid By:</u>	
	<u>Lessor</u>	<u>Lessee</u>
Water	X	
Sewer	X	
Electricity	X	
Gas	X	
Garbage Service		X
Janitorial Service		X
Janitorial Supplies (including recycling charges)		X
Window Washing	X	
Snow and Ice Removal	X	
Building Security (If applicable)		X

Utility Charges: Lessee shall not be responsible for reimbursement to Lessor for utility charges.

b) Telephone and Internet Connection: Lessee shall be responsible for providing and maintaining all telephone and internet services necessary for their use, including but not limited to bringing sufficient number of lines, modems, wireless amenities, etc., to the area where the Premises are located for Lessee's use.

c) Lessee is assumed to be tax exempt as to real property tax liability on leased real property as provided in ORS 307.112 and 307.166. Such status requires Lessee to file for such exemption each year. Lessor agrees to cooperate and aid Lessee in all reasonable respects with such application for exemption.

10. Liens.

a) Except with respect to activities for which the Lessor is responsible, the Lessee shall pay as due all claims for work done on and for services rendered or material furnished to the leased real property and shall keep the real property free from any liens. If Lessee

fails to pay any such claims or to discharge any lien, Lessor may do so and collect the cost from Lessee. Any amount so expended shall bear interest at the rate of nine percent (9%) per annum from the date expended by Lessor and shall be payable on demand. Such action by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default.

b) Lessee may withhold payment of any claim in connection with a good faith dispute over the obligation to pay, so long as Lessor's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Lessee shall, within thirty (30) days after knowledge of the filing, secure the discharge of the lien or deposit with Lessor cash or a sufficient corporate surety bond or other surety satisfactory to Lessor in an amount sufficient to discharge the lien plus any costs, attorney fees and other charges that could accrue as a result of a foreclosure or sale under a lien.

11. Insurance.

a) It is expressly understood that Lessor shall not be responsible for carrying insurance on any property owned by Lessee.

b) Lessee will be required to carry fire and casualty insurance on Lessee's personal property on the Premises.

c) Lessor will carry fire and casualty insurance only on the structure where Premises are located.

d) Lessee shall carry commercial general liability insurance, on an occurrence basis; with a combined single limit of not less than \$1,000,000 each occurrence, with an annual aggregate limit of \$2,000,000 of all claims from a single incident. Lessee shall provide Lessor with a certificate of insurance, as well as an endorsement, naming Deschutes County, its officers, agents, and employees and volunteers as an additional insured. There shall be no cancellation, termination, material change, or reduction of limits of the insurance coverage during the term of this lease.

e) Lessee shall provide to Lessor proof of workers compensation insurance.

f) Indemnification: Lessee shall be responsible for any and all injury to any and all persons or property caused directly or indirectly by reason of any and all activities by Lessee on or in connection with the leased property; and further agrees to indemnify, defend, and save harmless the Lessor, its officers, agents, and employees from and against all claims, suits or action, damages, costs, losses and expenses in any manner resulting from, arising out of, or connected with any such injury. Lessor shall be responsible for the negligent and wrongful acts of its officers, agents, employees and invitees. Provided however, consistent with its status as a public body, Lessor enjoys certain privileges and immunities under the Oregon State Constitution, Article XI, and Oregon Revised Statutes 30.260 through 30.300, the Oregon Tort Claims Act, and thus its liability exposure is restricted.

12. Casualty Damage. If the Premises or improvements thereon are damaged or destroyed by fire or other casualty to such a degree that the Premises are unusable for the purpose leased, and if repairs cannot reasonably be made within ninety (90) days, Lessee may elect to cancel this Lease. Lessor shall in all cases promptly repair the damage or

ascertain whether repairs can be made within ninety (90) days, and shall promptly notify Lessee of the time required to complete the necessary repairs or reconstruction. If Lessor's estimate for repair is greater than ninety (90) days, then Lessee, upon receiving said estimate will have twenty (20) days after such notice in which to cancel this Lease. Following damage, and including any period of repair, Lessee's rental obligation shall be reduced to the extent the Premises cannot reasonably be used by Lessee.

13. Surrender of Leased Premises. Upon abandonment, termination, revocation or cancellation of this Lease or the surrender of occupancy of any portion of or structure on the leased premises, the Lessee shall surrender the real property or portion thereof to Lessor in the same condition as the real property was on the date of possession, fair wear and tear excepted, except, that nothing in this lease shall be construed as to relieve Lessee of Lessee's affirmative obligation to surrender said premises in a condition which complies with all local, state or federal environmental laws, regulations and orders applicable at the time of surrender that was caused by Lessee or occurred during the term of this lease. Upon Lessor's written approval, Lessee may leave site improvements authorized by any land use or building permit. Lessee's obligation to observe and perform this covenant shall survive the expiration or the termination of the Lease.
14. Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice of the party's right to require strict performance of the same provision in the future or of any other provision.
15. Default. Neither party shall be in default under this Lease until written notice of its unperformed obligation has been given and that obligation remains unperformed after notice for fifteen (15) days in the case of the payment or for thirty (30) days in the case of other obligations. If the obligation cannot be performed within the thirty-day period, there shall be no default if the responsible party commences a good faith effort to perform the obligation within such period and continues diligently to complete performance. In case of default the non-defaulting party may terminate this Lease with thirty (30) days' notice in writing to the defaulting party, shall be entitled to recover damages or any other remedy provided by applicable law, or may elect to perform the defaulting party's obligation. The cost of such performance shall be immediately recoverable from the defaulting party plus interest at the legal rate for judgment. If Lessee makes any such expenditures as the non-defaulting party, those expenditures may be applied to monthly rent payments(s).
16. Notices. Notices between the parties shall be in writing, effective when personally delivered to the address specified herein, or if mailed, effective 48 hours following mailing to the address for such party specified below or such other address as either party may specify by notice to the other:

Lessor: Deschutes County
Attn: Susan Ross
PO Box 6005
Bend, Oregon 97708-6005
Fax: 541.317.3168

Lessee: Cascades East Transit / Central Oregon Intergovernmental Council
Attn: Karen Friend
1250 NE Bear Creek Rd.
Bend, Oregon 97701
541-548-9543

17. Assignment. Lessee shall not assign or sub-rent the premises.
18. Holdover. If Lessee holds over after the end of the term, a tenancy from month to month shall be created at the same rental rate, and the holdover shall not be construed as an exercise of any renewal option contained herein.
19. Audit. Lessee reserves the right to audit, at Lessee's expense, Lessor's access records pertinent to this agreement.
20. Non appropriation.
 - (a) If sufficient funds have not been provided in the legislatively approved budget of Lessee to permit Lessee in the exercise of its reasonable administrative discretion to continue this Lease, Lessee may terminate this Lease without further liability to Lessor with not less than sixty (60) days prior written notice to Lessor. During such termination notice period, Lessee may negotiate with Lessor for continued occupancy in a portion of the Premises at a reduced rent. If that is not feasible on mutually acceptable terms, then the Lease shall terminate as notified. In determining the availability of funds to Lessee, Lessee will use the budget approved by the Oregon State Legislature or acts of the Legislative Emergency Board.
 - (b) If by a specific legislative act, Lessee as named herein is abolished or its functions absorbed into other state agency or agencies, Lessee may terminate this Lease without further liability to Lessor with not less than sixty (60) days prior written notice to Lessor.
 - (c) If any of the foregoing occurs with respect to an agency/division occupying only a portion of the Premises, Lessee shall have the right to terminate as to that portion of the Premises.
21. Authority. The signatories to this agreement covenant that they possess the legal authority to bind their respective principals to the terms, provisions and obligations contained within this agreement.
22. Counterparts. This Lease may be executed in two or more counterparts, by facsimile or otherwise, each of which is an original, and all of which together are deemed one and the same Lease, notwithstanding that all parties are not signatories to the same counterpart.
23. MERGER.

THIS LEASE CONSTITUTES THE ENTIRE LEASE BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS LEASE SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT

SPECIFIED HEREIN REGARDING THIS LEASE. LESSOR, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT LESSOR HAS READ THIS LEASE, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

LESSOR: DATED this ____ day of _____, 2016

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON

ALAN UNGER, CHAIR

ATTEST: TAMMY BANEY, VICE CHAIR

Recording Secretary

ANTHONY DEBONE, COMMISSIONER

LESSEE: DATED this 20 day of April, 2016

Central Oregon Intergovernmental Council

By:  4/20/16
Karen Friend Date

Andrew Sproulborough