



October 10, 2024

BCC Agenda Date/Item: \_\_\_\_\_

Board of County Commissioners  
Sitting/Acting as the North Clackamas Parks and Recreation District Board of Directors


**Approval of an Amendment to the Lease Agreement with Phoenix Investment Group for the NCPRD Maintenance Shop. Total Amendment Value is \$337,135 for 3 years. Funding is through the NCPRD General Fund. No County General Funds are involved.**

<b>Previous Board Action/Review</b>	6/10/2021 - NCPRD extended the fourth lease agreement for an additional three years through December 31, 2024. 7/12/2018 - NCPRD extended the third lease agreement for an additional three years through December 31, 2021. 6/6/2015 - NCPRD extended the original lease agreement for an additional three years through December 2018. 12/6/2012 Business Meeting - Approved lease agreement for NCPRD Maintenance Shop. 7/17/2012 Policy Session - Directed staff to proceed with lease negotiations with Phoenix Investment Group. <b>Briefed at Issues 10/08/2024</b>		
<b>Performance Clackamas</b>	Ensure safe, healthy, and secure communities by providing NCPRD with the facilities, staff, equipment, and resources necessary to maintain a well-managed and secure park system.  The maintenance operations of NCPRD support the workforce responsible for maintaining the infrastructure of our park system. This essential work enables residents to engage in active lifestyles within safe and secure parks. At this facility, NCPRD staff are dedicated to planting and caring for pollinators. Additionally, NCPRD's Natural Resource team conducts community engagement initiatives, including clean-up and planting events, to foster environmental stewardship.		
<b>Counsel Review</b>	Yes	<b>Procurement Review</b>	No
<b>Contact Person</b>	Kevin Cayson	<b>Contact Phone</b>	503-789-4570

**EXECUTIVE SUMMARY:** NCPRD's park maintenance and natural resource operations are currently based in this leased facility, which is centrally located and accommodates all of the District's maintenance vehicles and equipment. The facility offers essential indoor workshop space for the repair and maintenance of equipment and other assets, as well as office space for the maintenance and natural resources staff. The District plans to remain in this leased location until a permanent, District-owned facility can be secured.

**RECOMMENDATION:** Staff recommend the Board approve the Fifth Amendment/Extension to the Lease Agreement with Phoenix Investment Group and delegate authority to the NCPRD Director or designee to effectuate any document necessary to effectuate the same.

Respectfully submitted,

  
Kia Selley, NCPRD Director

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**FIFTH AMENDMENT/EXTENSION  
TO  
LEASE AGREEMENT  
BETWEEN  
PHOENIX INVESTMENT GROUP, INC.  
AND  
NORTH CLACKAMAS PARKS & RECREATION DISTRICT**

This is a Fifth Amendment/Extension to that certain Lease Agreement originally dated effective the 21<sup>st</sup> day of December, 2012, and subsequently amended by a First Amendment, a Second Amendment, a Third Amendment and a Fourth Amendment (copies of the Lease Agreement and amendments are attached hereto as **Exhibit 1** for clarification). The Lease and all amendments thereto shall be collectively referred to herein as the "Lease". The Lease is by and between Phoenix Investment Group, Inc. defined as the "Landlord" and North Clackamas Parks & Recreation District defined as the "Tenant", Landlord and Tenant are jointly referred to as the "Parties".

1. **Extension of Term.** The Term is hereby extended for a period of three (3) years commencing January 1, 2025, and continuing through December 31, 2027 (the "Extended Term"). Tenant shall have no further right to extend or renew the Term except as expressly set forth in this Amendment.

2. **Basic Rent.** Basic Rent during the Extended Term shall be as follows:

<b>Basic Rent for Calendar Year</b>	<b>Monthly Amount</b>
2025	\$8,403
2026	\$8,739
2027	\$9,001

3. **Additional Rent.** Until a notice increasing the Additional Rent pursuant to Section 3.2 of the Lease is given by Landlord, the Additional Rent during the Extended Term shall be \$600.00 for every calendar month of the Extended Term and is payable with and in addition to each monthly Basic Rent payment.

4. **Deposit.** The Security Deposit set out in Section 4 of the Lease is increased to \$9,001. The difference (\$1,819) between the current Security Deposit (\$7,182) and the Security Deposit for the Extended Term (\$9,001) shall be paid to Landlord not later than January 1, 2025.

5. **No Improvements.** Landlord has not agreed to make any improvements to the Leased Premises during the remainder of the Term or in connection with the Extended Term.

6. **Renewal Option.** If the Lease is not in default at the time the option is exercised and is not in default when the Renewal Term begins, Tenant shall have the option to renew this Lease for one (1) additional term of three (3) years, only upon the following terms and conditions:

2.2.1 The renewal term shall commence on January 1, 2028 and expire December 31, 2030 ("Renewal Term"); and

2.2.2 The renewal option may only be exercised by written notice to Landlord received by Landlord not later than July 2, 2027; and

2.2.3 Not later than September 1, 2027, the Landlord notifies Tenant in writing that the Landlord agrees to extend the Lease for the Renewal Term. If Landlord does not give such notice to Tenant, the renewal option shall be void and the Term of the Lease shall expire on December 31, 2027. The Landlord's written notice to Tenant that Landlord agrees to the extension, shall be sufficient to make the Lease binding for the Renewal Term on both Parties without further act of either of the Parties except the following terms, conditions and provisions shall apply for the Renewal Term:

2.2.3.1. The terms and conditions of the Lease for the Renewal Term shall be identical with those of the Term except: (i) monthly Basic Rent will increase as set out in paragraph 2.2.3.2 below of this Amendment; (ii) Additional Rent will increase in accordance with the Landlord's notices as provided in the Lease; (iii) the Security Deposit will increase to an amount equal to one month's Basic Rent for year 2028 of the Renewal Term, and Tenant shall pay such increase in the Security Deposit no later than January 1, 2028; and (iv) Tenant will have no further option to renew or extend this Lease.

2.2.3.2 The monthly Basic Rent for year 2028 of the Renewal Term shall be equal to the monthly Basic Rent for year 2027 of the Extended Term multiplied by the greater of (i) three percent (3%) or (ii) the average annual increase in the Portland, Oregon Consumer Price Index ("CPI") all urban consumers, all items on the 1982 = 100 base during the Extended Term (or such portion thereof as CPI data is then available) as determined by Landlord. Monthly Basic Rent shall thereafter be increased by three percent (3%) effective on January 1, 2029, and on January 1, 2030.

6. **Affirmation of other terms.** Except as otherwise amended herein, the Lease remains in full force and effect. If there is a conflict between the terms of the Lease and this Amendment, the terms of this Amendment control.

Phoenix Investment Group, Inc.:

North Clackamas Parks  
& Recreation District:

By:   
\_\_\_\_\_  
Todd Call, President

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_