

July 27, 2023

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of an Amendment to Purchase and Sale Agreement Waiving Conditions to Purchase for the facility and property at located at 6605 SE Lake Road, Milwaukie and Approval of a Board Order Approving Sale and Delegating of Signing Authority

Previous Board Action/Review	Executive Session discussions about relocating the clinics occurred on 10/21, 11/21, 2/22, 7/22, 10/22, 12/22, 2/23, and 4/23 BCC meeting: 5/30/23		
Performance Clackamas	Ensure safe, healthy, and secure communities		
Counsel Review	Yes	Procurement Review	N/A
Contact Person	Sarah Jacobson	Contact Phone	503-742-5303

Executive Summary

The Stewart and Hilltop clinics, which provide mental health and substance abuse services to children, families, and adults, have been demolished as part of the Courthouse construction project. After reviewing alternative sites in different communities, staff identified a location that meets current and future expansion needs. The property is located at 6605 SE Lake Road in Milwaukie and includes a 43,444 square foot building located on 2.37 acres of land.

The sale price for this property is \$11.0 million and includes a large list of furnishings, fixtures, and equipment. The Board approved the Purchase & Sale Agreement at its 5/30.23 business meeting. The Board also approved a resolution to authorize debt issuance for the property at the same meeting. There are two items staff is requesting this Board approve:

Item 1: Approval of Amendment to Purchase and Sale Agreement that waives conditions to closing:

- County staff have reviewed the environmental reports submitted by the Seller as well as the inspection conducted by a County contractor. The outstanding issue is the replacement of the roof and the Seller has agreed to give the County a \$347,000 credit for this work.
- County has accepted the Title Report which identified unpaid taxes or liens against the property that must be satisfied prior to closing.
- The Amendment will waive any remaining contingencies to closing. It will result in the earnest money being non-refundable.

Item 2: Approval of Board Order.

The Purchase and Sale Agreement contains, among other conditions, a requirement that the Board of Commissioners approve closing the property. The enclosed Board Order documents the Board's approval to proceed with the closing of the property. Similar to other property transactions, there will be additional documents to sign during this process. As such, the Board Order includes a delegation of signing authority to both the Chair and the County Administrator to execute all additional documents reasonably necessary to complete the closing of the purchase of the property.

Recommendation

Staff recommends approval of the Amendment to the Purchase Agreement and Waiver of Buyers Conditions to Purchase and the Board Order.

Respectfully submitted,

Rodney A. Cook

Rodney A. Cook
Director
Health, Housing & Human Services

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Approving Purchase
of Property at 6605 SE Lake Road,
Milwaukie, OR 97222



Board Order No.
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Whereas, on or about June 2, 2023, Clackamas County, through its Department of Health, Housing, and Human Services (“H3S”), entered into a purchase and sale agreement (“Agreement”) with Pamplin Real Properties, LLC to purchase certain real property generally described 6605 SE Lake Road, Milwaukie, OR 97222 (the “Property”);

Whereas, the Agreement contains multiple conditions that must occur prior to the closing of the purchase of the Property;

Whereas, one such condition is approval, by the Board of County Commissioners of Clackamas County (the “Board”), to proceed with the purchase of the Property, subject to any other conditions contained in the Agreement;

Whereas, the Board has determined it is in the best interest of Clackamas County to proceed to closing of the purchase of the Property, subject to completion of all remaining conditions to closing set forth in the Agreement;

Whereas, the closing of the purchase of the Property may require the execution of additional documents;

Whereas, the Board has determined it is in the best interest of the County to delegate limited signing authority to the Clackamas County Chair of the Board of Commissioners (the “Chair”) and/or the County Administrator to execute all documents reasonably necessary to complete the closing of the purchase of the Property;

NOW, THEREFOR, the Clackamas County Board of County Commissioners orders as follows:

1. The Board hereby approves proceeding to the closing of the purchase of the Property, subject to satisfactory completion of all additional conditions set forth in the Agreement; and

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
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Board Order No.
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2. The Chair and/or the County Administrator are hereby delegated signing authority to execute all documents reasonably necessary to complete the closing of the purchase of the Property including, but not limited to, all closing documents, title documents, financial instruments, funding agreements, or other documents necessary to fund the purchase of the Property.

DATED this __ day of _____, 2023.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

**AMENDMENT TO PURCHASE
WAIVER OF BUYERS CONDITIONS TO PURCHASE**

This Amendment is made and entered into July 27, 2023 by and between Pamplin Real Properties, an Oregon limited liability company ("**Seller**") and Clackamas County ("**Buyer**") and is effective upon execution by both parties.

RECITALS

A. Buyer, as of the date herein is under contract to Purchase the Real Property from Seller located at 6605 SE Lake Road in the City of Milwaukie, County of Clackamas, Oregon pursuant to that certain Purchase and Sale Agreement and Receipt for Earnest Money ("PSA") dated June 1, 2023 by and between Seller and Buyer.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1) Subject to the following, Buyer hereby waives its Conditions to Purchase under Paragraph 2.1.1 of the Purchase and Sale Agreement subject to:
 - a. Seller shall credit \$347,000 to the Sales Price to replace the roof at Closing;
- 2) In reference to the Conditions to Purchase for financing under Paragraph 2.1.2, Buyer hereby waives its Financing Conditions;

Upon the full execution of this Agreement, Buyer's Earnest Money shall become non-refundable and released to the Seller per Escrow's instructions.

This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment.

Except as expressly amended above, all other terms and conditions of the PSA shall remain in full force and effect.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

BUYER:

CLACKAMAS COUNTY, an Oregon corporation

By: _____

Name: _____

Title: _____

Date: _____

SELLER:

PAMPLIN REAL PROPERTIES LLC, an Oregon limited liability company.

By: _____

Name: _____

Title: _____

Date: _____