

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as the
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT BOARD OF DIRECTORS**

Study Session Worksheet

Presentation Date: July 17, 2012

Approximate Start Time: 10:30 a.m.

Approximate Length: 30 minutes

Presentation Title: NCPRD Park Maintenance Items (Item 1 -Hawthorne Park Maintenance Agreement)

Department: North Clackamas Parks and Recreation District (NCPRD)

Presenters: Gary Barth and Michelle Healy, NCPRD and Chris Storey, County Counsel

Other Invitees: Ken Itel, Clackamas County Development Agency

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The purpose of this study session is to acquaint the NCPRD Board with a proposed maintenance agreement between the North Clackamas Park and Recreation District (NCPRD) and the Hawthorne Park Condominium Owners Association (COA) for the maintenance of Hawthorne Park. Approval of the maintenance agreement by the NCPRD Board will be necessary at a subsequent business meeting.

EXECUTIVE SUMMARY:

Hawthorne Park is part of a development that includes 29 condominium units, comprised of two-and three-family dwellings, on a four (4) acre parcel located on the south side of SE King Road near SE 75th Avenue, in the North Clackamas Revitalization Area (NCRA) (see Exhibits 2 - 4). The Clackamas County Development Agency (Agency) partnered with HP Development to develop a project with affordable or "workforce" housing units and a small neighborhood park. The Owner Participation and Development Agreement (OPDA) included affordability requirements for the housing units and required the Agency to purchase and develop a one acre site for a public park.

The park is generally intended to serve residents within a 1/2-mile radius, with access primarily for pedestrians and bicyclists. The site is within the Overland Park neighborhood. Overland Park is one of the most parks deficient residential areas in Clackamas County. Mill Park is the only park currently within the neighborhood. The property is within a proposed Neighborhood Park Service Area in the NCPRD Master Plan. Development of additional park space is one of the goals within the NCRA urban renewal plan.

The park received construction financing through a \$140,000 Metro Nature in Neighborhoods grant and a \$50,000 grant from the Oregon Parks & Recreation Department Local Government Grant program. The balance of construction costs (approximately \$75,000) are covered by NCRA urban renewal funds.

The OPDA includes a requirement that the COA fund maintenance expenses of the park for twenty years after completion. This requirement is recorded in the declaration for the condominium development and purchasers of the homes were made aware of this requirement. The park must be maintained to NCPRD standards, which are incorporated in the OPDA.

The COA prefers to contract with NCPRD for maintenance services. Agency and NCPRD staffs crafted an agreement similar to a prior maintenance agreement between NCPRD and the Altamont subdivision (see attached Exhibit 1). Maintenance for the first two years after completion of the park construction does not include lawn areas or landscaping beds as these are the responsibility of the construction contractor during the establishment period. NCPRD services include maintenance of play areas and site furnishings, garbage pickup and leaf removal. The maintenance agreement was supported by the NCPRD Advisory Board at a meeting on May 9, 2012. County Counsel has reviewed and approved the draft agreement.

The Board previously approved the OPDA between the Agency and HP Development on December 11, 2008 and an amendment to the OPDA on November 12, 2009. Park construction is expected to be completed in the next 6-8 weeks. Park maintenance agreement needs to be in place by this time.

FINANCIAL IMPLICATIONS (current year and ongoing):

No net impacts. NCPRD will be compensated for maintenance by the COA.

LEGAL/POLICY REQUIREMENTS:

None, however, long-term ownership of the park needs to be discussed in the future.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Development of a preferred design plan for the park involved an advisory committee and also included three public open houses, the first of which occurred on November 30, 2010. Advisory committee members included a member from both the Southgate Citizens Planning Organization and the Overland Park Coalition, two neighborhood residents, representatives from the North Clackamas School District and Clackamas County Sheriff's Department, and staff members of NCPRD.

The Development Agency worked with NCPRD staff throughout the design and construction process for the park. Metro Nature in Neighborhoods program staff also participated in the design process and provided ongoing consultation.

OPTIONS:

1. Direct staff to present the maintenance agreement, in its current form, for decision at a future Business Meeting. The advantages of this option are NCPRD maintenance staff can likely perform the maintenance more economically due to economies of scale, NCPRD has experience with park maintenance and NCPRD can quickly provide services.

2. Direct staff to coordinate with the Development Agency to amend the maintenance agreement to address concerns raised by the NCPRD Board and schedule revised IGA decision at a future Business Meeting.
3. The NCPRD Board can reject the maintenance agreement. This option would require the COA to solicit bids for the park maintenance services, possibly delaying the provision of services. Outside vendors are also likely to be costlier, have less experience with park maintenance and may be unfamiliar with NCPRD requirements.

RECOMMENDATION:

Staff and the District Advisory Board respectfully recommend that the NCPRD Board direct staff to present the maintenance agreement for decision at a future Business Meeting.

ATTACHMENTS:

1. Draft Agreement
2. Hawthorne Park Plan
3. Hawthorne Park Map

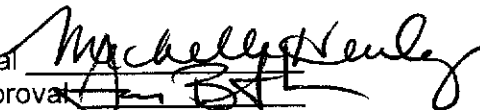
SUBMITTED BY:

Please sign or initial per instructions below to indicate this worksheet and any attachments have been reviewed and are ready for Board consideration.

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____



For information on this issue or copies of attachments, please contact Michelle Healy @ 503-742-4356

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

- YES
 NO

START-UP EXPENSES AND STAFFING (if applicable):

NCPRD has the seasonal maintenance staff and equipment to take on maintenance.

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

The cost of staff and materials for maintenance of the park will be covered through payments by the Condominium Owners Association.

ANTICIPATED RESULTS:

The park is located within the Parks District. Maintenance by the District will assure consistent park maintenance and operations to a level equal to other parks in the District. In addition, operation by NCPRD will avoid confusion to citizens as to who is responsible for the public park.

COSTS & BENEFITS:

Costs:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	Maintenance				\$1992.44		1992.44
	Total Costs				1992.44		1992.44
	Ongoing Annual Costs				1992.44		1992.44
Benefits/Savings:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	Reimbursement for Maintenance				1992.44		1992.44
	Total Benefit/Savings				0		0
	Ongoing Annual Benefit/Savings				0		0

MAINTENANCE AGREEMENT BETWEEN
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
And
HAWTHORNE PARK CONDOMINIUM OWNERS ASSOCIATION
For
MAINTENANCE OF HAWTHORNE PARK

THIS MAINTENANCE AGREEMENT (this "Agreement") is entered into by and between the North Clackamas Parks and Recreation District ("District"), a county service district formed and existing under the provisions of ORS Chapter 451, and Hawthorne Park Condominium Owners Association ("Association"), an Oregon corporation.

Recitals:

- A. WHEREAS, Association desires District to assume certain maintenance obligations with respect to the park land described in the tax records of Clackamas County as tax lot 12E32AB01300 ("HP Park"); and .
- B. WHEREAS, District is willing to undertake the maintenance obligations on the terms and conditions set forth herein; and
- C. WHEREAS, this maintenance agreement is the culmination of the obligations set forth in that certain Owner Participation and Development Agreement ("OPDA") by and between Clackamas County Development Agency ("Agency") and HP Development Incorporated ("HP") as approved by the Board of County Commissioners, Clackamas County on December 11, 2008 (County Recording Division No. 2008-4491) and subsequently amended on November 12, 2009 (County Recording Division No. 2009-4399). The OPDA provided for the construction of public park improvements by the Agency on property acquired by the Agency from HP, and also requires the Association fund maintenance of the park for a period of 20 years after completion of park construction.

Agreement:

In consideration of the terms and agreements set forth below, the District and the Association hereby agree as follows:

1. **Services.** The District will provide site maintenance services for HP Park, including all necessary labor, equipment, materials, utilities and tools. Maintenance will include, but not be limited to, garbage service twice weekly, seasonal leaf removal, vandalism repair, graffiti removal, winterization, hard surface maintenance, play equipment maintenance dog bag station, playground chips, sand and inspections (collectively, the "Scope of Services"). The Hawthorne Park maintenance bid is attached as Exhibit A. To the extent there is any inconsistency between Exhibit A and this Agreement, the terms of this Agreement shall control. In addition to the Scope of Services, the parties agree that:

- a. Landscaping services including, but not limited to, mowing, edging, trimming, pruning, irrigation, fertilization, weed control in turf and landscape beds and replacement of dead or dying plant materials, are the responsibility of the park construction contractor, PCR Inc., for a period of 24 months after the completion of park construction.
 - b. Services do not include the cost of replacement parts for necessary maintenance or replacement due to normal wear and tear, which is not covered by equipment warranties, or parts or replacement of park amenities or equipment that is vandalized, stolen or damaged due to other circumstances. The Association is advised to consult its insurance provider regarding coverage for damage to park amenities and equipment.
 - c. The Association is responsible for utility expenses associated with the park, including water service for landscape irrigation and the farm pump, and electrical service for lighting and irrigation controllers. The Association shall contract with local utilities to provide these services. Billing for these services shall be directed to the Association.
 - d. Standard park signage, including, but not limited to, entry signs and park rules signage will be installed by the Agency. Maintenance of standard park signage will be the responsibility of the District.
 - e. Educational and interpretive signage, such as descriptions of native plants and other park amenities will be installed by the Agency. The maintenance of these signs is the responsibility of the Association.
2. **Standard of Services.** The District agrees to perform its services with that standard of care, skill and diligence normally provided by a competent organization in the performance of similar services. Park maintenance standards are attached as Exhibit B and Association agrees that such standards constitute an appropriate level of service as contemplated herein.
 3. **Payment for Services.** Association will pay District for the performance of services outlined above the sum of \$1,992.44 annually. Payment will be made in advance, in quarterly installments of \$498.11. The payments will commence in August of 2012. Payments will be made by the 10th day of the month and will be due in April, July, October and January. Each year on July 1, the payment for the services will increase by a percentage equal to the increase in the consumer price index (CPI-W for Portland, Oregon) for the most recent one-year period preceding the date of increase for which statistics are available.
 4. **Term.** Unless earlier terminated, this Agreement shall commence August 1, 2012, and shall remain in full force and effect until August 1, 2014.

5. **Additional Work.** If additional work is required beyond the Scope of Services described above, the following shall apply:
- a. If the cost of services is less than or equal to \$1,000, the District will complete the repairs in a timely manner and bill the Association for the cost of services. The Association will pay amounts due within 30 days receipt of billing.
 - b. If the cost of services exceeds \$1,000, the District will consult with the Association in a timely manner to seek input regarding alternatives prior to completing the services. The District will consider the Association's input in making its decision regarding alternatives. Upon completion of the services, the District will bill the Association for the cost of services. The Association will pay amounts due within 30 days receipt of billing.
6. **Interest.** Amounts due and unpaid will bear interest as provided by statute.
7. **Governing Law and Public Contracting Law.** This Agreement shall be governed by the laws of the State of Oregon. Provisions of Oregon public contracting law, ORS 279.310 through 279.342, as applicable, are incorporated herein by reference.
8. **Termination.** This Agreement may be terminated only by (i) written mutual agreement of both parties, (ii) upon expiration of the term of the Agreement as provided in Section 4, or (iii) if the District elects to accept full responsibility for park operations and maintenance in their sole and absolute discretion.

NORTH CLACKAMAS
PARKS AND RECREATION
DISTRICT

HAWTHORNE PARK
CONDOMINIUM OWNERS
ASSOCIATION

Signature

Signature

Name

Name

Title

Title

Date

Date



North Clackamas Parks and Recreation District Maintenance Costs (12-13)

Exhibit A

Program Name:

Maintenance Division

Hawthorne Park Maintenance Bid

Price is for 12 months of service

Once a week service includes, fertilization twice a year, leaf removal, garbage service twice weekly, vandalism repair, graffiti removal, irrigation repair and monitoring, winterization, hard surface maintenance, dog bag station, playground chips, sand and inspections.

				Units of svc:		
Staffing:		Hourly rate \$	x Program Hrs.	Hours	Direct Costs:	
Labor Cost full time		\$ 44.60		26	\$ 1,159.60	
Labor Costs PT		\$ 16.60		0	\$ -	
Supervisor Salary		\$ 64.69		2.6	\$ 168.19	
unemploy & workers comp		\$ 0.42		0	\$ -	
		\$ -			\$ -	
		\$ -			\$ -	
		\$ -			\$ -	
		\$ -			\$ -	
		\$ -			\$ -	
Program coordinator or supervisor:	salary or hourly rate \$		% or hours		\$ -	
					\$ 1,327.79	
Facility Rental Fees	Hourly rate	\$ -	x Hours		\$ -	
Equipment/ Miscellaneous-fees, mileage, etc.						
Fertilizer / hebicides	\$ 300.00			Equipment Repairs	\$ 22.40	
Maintenance Supplies	\$ 70.56			Vandalism Repair	\$ 12.80	
Dog Bags	\$ 6.40			Misc. & Safety Equip.	\$ 172.50	
Electrical Cost	\$ -			Fuel	\$ 36.72	
Water Cost	\$ -			Contract Maint	\$ -	
Trash Removal	\$ 43.27			Total Equipment	\$ 664.65	
					Total Direct Costs:	\$ 1,992.44
Indirect Costs:						
	\$ -					
	\$ -					
	\$ -					
	\$ -					
					Total Indirect Costs:	\$ -
					Grand Total Costs Direct/ Indirect:	\$ 1,992.44
Revenue (Based fees):						
In-District or Over 62						
Fee per participant	\$ -			Out-of-District or Under 62		
Number of participants				Fee per participant	\$ -	
Total In-District revenue	\$ -			Number of participants		
					Total Out-of-District revenue	\$ -
Additional Revenue:						
Misc revenue	\$ -			Additional Revenue		
	\$ -			Total program fees revenue	\$ -	
	\$ -					
					Revenue - Costs = Profit +/- Loss -	\$ (1,992.44)

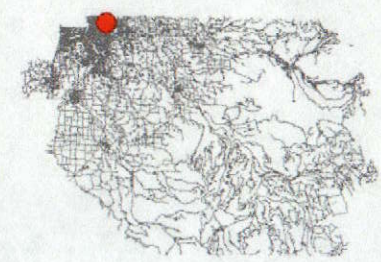
EXHIBIT BPark Maintenance Standards

- A. Mow turf and blow pathways once every 7-10 days during the mowing season from April through November, with additional mowing as needed the remainder of the year to maintain a well-manicured turf.
- B. Maintain turf at a level of 2 1/2-inches except in the early spring where the mower will be set at 3 inches. The mowers will be lowered to 2 ½ inches around June.
- C. Conduct documented park inspection at least once per quarter during the year.
- D. Edge around walks, curbs, and plant beds every other week during the growing season.
- E. Spray broadleaf weeds in turf as necessary during the mowing season to maintain a predominantly weed-free turf.
- F. Weed eating as needed along the edges of the plant beds and tree rings to maintain uniform turf appearance.
- G. Program irrigation systems by June 1 and as needed throughout the summer. Inspect irrigation systems every two weeks during the mowing season.
- H. Operate irrigation system to maintain healthy turf and conserve water (i.e., one inch of water per week).
- I. Winterize irrigation system in the fall.
- J. Fertilize lawn areas in the spring and fall.
- K. Fertilize shrubs and trees in the spring.
- L. Apply bark mulch once a year to plant beds in the spring.
- M. Remove leaves from facilities in the fall once every two weeks or as necessary.
- N. Prune shrubs and trees in the fall or winter.
- O. Apply herbicides only when necessary to control weeds in shrub beds/flower beds, around trees, and other areas not accessible to mowers.
- P. Remove trash and litter every 7-10 days or more frequently from April through November, and as needed the remainder of the year.

- Q. Visually inspect playgrounds and play structures weekly. Level and add safety chips as necessary to maintain uniform depth. Remove damaged equipment from use as necessary. Cordon off area with caution tape if play equipment is unsafe. Repair damaged equipment within two weeks.
- R. Plant seasonal flowers under signs (spring).
- S. Remove graffiti within 72 hours or as required by Clackamas County ordinance.
- T. Maintain park structures, signage and other appurtenances in a clean, attractive, safe, and structurally sound condition.



Hawthorne Park Boundary Map



**Geographic Information Systems
121 Library Court
Oregon City, OR 97045**

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

March 23, 2011 08:28 AM





(2)

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as the
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT BOARD OF DIRECTORS

Study Session Worksheet

Presentation Date: July 17, 2012 **Approximate Start Time:** 10:30 a.m.

Approximate Length: 30 minutes

Presentation Title: Park Maintenance Issues (Item 2 – Park Maintenance and Natural Resources Shop)

Department: North Clackamas Parks and Recreation District (NCPRD)

Presenters: Gary Barth and Michelle Healy, NCPRD and Chris Storey, County Counsel

Other Invitees: None

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

NCPRD management is seeking concurrence from the NCPRD Board to pursue relocation of the NCPRD park maintenance and natural resources facility to address our need for a more optimal space and location. We are evaluating lease options due to the lack of capital required to purchase or construct a facility. The NCPRD Board would need to approve any proposed lease brought forth by NCPRD management at a subsequent NCPRD business meeting.

EXECUTIVE SUMMARY:

NCPRD park maintenance and natural resources operations are currently located in a former City of Milwaukie fire station located off SE Harvey and 40th Avenue in Milwaukie. The shop building and property is owned by the City of Milwaukie, and has been provided to NCPRD for use as a maintenance facility since the District's inception 20 years ago. The Intergovernmental agreement between the City and NCPRD has expired, requiring a re-negotiated IGA or pursuit of alternative facility options.

The current facility was sufficient for NCPRD maintenance operations when the District was formed in the early 1990s. However, over the years the asset base that the maintenance department maintains has greatly expanded. In addition, we established a natural resource department several years ago which has added to the demands on the facility. Staff, equipment, materials and supplies have outgrown the current space.

Staff has done a tremendous job working around the constraints of this confined space; however, it has reached a critical state resulting in a number of inefficiencies. For example, the current facility does not offer a secured area large enough to store the maintenance vehicles requiring staff to load and unload trucks every day before and after shifts. In addition, the current facility is isolated in the upper NW corner of the district. With the District expansion eastward into Happy Valley, and the subsequent development of new park facilities in this growing area of the District, travel distance from the current shop to park facilities has expanded.

NCPRD has provided general maintenance and upkeep of the existing shop building over the years, however, the building has reached a point where major capital repairs are necessary (e.g. roof replacement). The City of Milwaukie has requested that NCPRD provide funding for the roof replacement which is estimated to be about \$70,000. Given that the shop space does not adequately meet the District's needs, staff began a process to identify a new shop. Options considered included:

- Making capital improvements to the existing facility. This was dismissed because the City of Milwaukie owns the facility, it is not optically located within the District boundaries and there is inadequate space to expand operations.
- Evaluating if there are other county-owned buildings for lease. None were found that would meet NCPRD's needs.
- Considering the outright purchase of property for a new shop. The cost to purchase an existing shop facility or build a new facility was beyond NCPRD's current financial capabilities.
- Considering the placement of smaller storage facilities for equipment and materials at multiple satellite locations around the District. This idea was rejected as it would decentralize operations and create other operational inefficiencies.
- Discussing partnership opportunities with both internal (Water Environment Services and Department of Transportation and Development) and external agencies (North Clackamas School District) to co-locate a new shop facility. There is the possibility long-term for this type of arrangement with internal county partners, however, this will require years of coordinated planning that does not address NCPRD's current need. NCPRD is continuing with these discussions as a viable long term solution.
- Pursuing a short term lease (five to seven years) for an existing facility to address the immediate needs under current fiscal constraints.

After evaluating these options, NCPRD believes a short term lease best meets NCPRD current needs and provide us time to evaluate longer term options such as a purchase or co-development of a shared facility with public partners. Attached to this staff report is a summary of the proposed lease terms (see exhibit 1).

FINANCIAL IMPLICATIONS:

NCPRD currently does not have sufficient capital funding to purchase an existing building or acquire property and construct a new maintenance and natural resources facility that meets the District's pressing needs. Status quo is not an option as the existing city-owned facility requires capital improvements and negotiation of a new IGA with the City of Milwaukie. Operating funds have been budgeted sufficient to cover the lease of a suitable facility. Staff has reviewed a number of leased facilities and believes that an adequate facility could be secured for a lease of \$80,000 to \$100,000 per year

including utilities. This represents approximately one percent of our general fund expenditures.

NCPRD management believes that the increased efficiency from a new facility will significantly enhance the productivity of the maintenance and natural resource operations largely offsetting this expenditure.

LEGAL/POLICY REQUIREMENTS:

County Counsel's office is reviewing and providing guidance on the terms of a lease.

PUBLIC/GOVERNMENTAL PARTICIPATION:

NCPRD is currently working with other agencies within the County to develop a longer-term strategy for the purchase and or development of a permanent maintenance facility.

OPTIONS:

1. Direct staff to proceed with final negotiations of a lease, consistent with the terms described during this study session, and then present the final lease for decision at a future Business Meeting.
2. Direct staff to abandon lease negotiations.

RECOMMENDATION:

Staff respectfully recommends that the NCPRD Board direct staff to present a lease for decision at a future Business Meeting.

ATTACHMENTS:

1. Proposed lease terms
2. Map of possible lease location
3. NCPRD Map

SUBMITTED BY:

Division Director/Head Approval Michelle Healy

Department Director/Head Approval [Signature]

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Michelle Healy at (503) 742-4356

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

YES

NO

START-UP EXPENSES AND STAFFING (if applicable):

A lease will require payments of \$80,000 to \$100,000 per year. Funding for this has been included in NCPRD's 2012-2013 approved budget. The leased shop space will be move-in ready and not require tenant improvements by NCPRD.

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

A lease will require payments of \$80,000 to \$100,000 per year, including utilities.

ANTICIPATED RESULTS:

The current shop does not meet NCPRD's maintenance and natural resource needs, resulting in operational inefficiencies. A larger shop, in a more accessible location allows for better staging of equipment and a reduction in drive times between the shop and park facilities. In addition, there is the opportunity to securely store other District vehicles (e.g. RecMobile and the Milwaukie Center Transportation buses) on site freeing up space at other locations.

COSTS & BENEFITS:

Having a sufficient maintenance and natural resources shop is a basic requirement of the District's core business operations. NCPRD has benefited from the partnership with Milwaukie for many years; however, the existing space no longer meets our needs. While a new shop will require an additional expenditure of District dollars, there will be improved efficiencies in operations. It will also provide sufficient space to address continued growth of the District's asset base.

EXHIBIT 1 – Preliminary Proposal to Lease: 6199 SE Lake Road, Milwaukie, OR 97222

1. Premises:

The Tenant shall occupy approximately 11,040 square feet including approximately 1,500 square feet of office located at 6199 SE Lake Road, Milwaukie, OR 97222. The Landlord shall deliver the premises in "move in" condition with, plumbing, heating, mechanical, and electrical systems in good working order.

2. Lease Term & Commencement:

The lease term shall be sixty (60) months, commencing after approval by the NCPRD Board of Directors.

3. Monthly Rent:

The monthly rent for the term of the lease shall be as follows:

Months Monthly Net Rent

1 – 12	\$5,436
13 – 24	\$5,600
25 – 36	\$5,907
37 – 48	\$6,084
49 – 60	\$6,267

4. Direct Expenses:

The rents stated above are "net rental", and it is understood that the Tenant shall pay for all direct expenses throughout the lease term. Direct expenses are estimated at \$0.11 per square foot per month on the shell of the building. Direct expenses include, but are not limited to real property taxes, fire and extended coverage insurance, common area maintenance, water & sewer, and HVAC maintenance. Any reduction in property taxes directly linked to Tenant's status as a municipal entity shall be passed through to the tenant.

5. Other Expenses:

The Tenant shall be responsible for all utilities, garbage service, janitorial, interior maintenance as well as its own contents and liability insurance. The Landlord shall be responsible for the maintenance and repair of the roof and structural portions of the premises as well as all paving.

6. Use:

The premises shall be used for North Clackamas Parks & Recreation District natural resources and park maintenance facility. General office activities of the Tenant will be permitted.

7. Signage:

Tenant, at their sole cost and expense, may install a sign on the fascia of the building. The sign must meet the Landlord's approval and all codes and regulations.

8. Tenant Improvements:

Tenant shall take the premises "as-is, where-is". The Landlord shall deliver the premises in "move in" condition with, plumbing, heating, mechanical, and electrical systems in good working order. The Landlord will decommission the existing bridge crane.

9. Security Deposit:

Upon mutual lease execution, Tenant shall deposit with the Landlord the following deposits:

- Rent for the first month in the amount of \$5,436.
- Estimated NNN expenses for the first month of \$1,215.
- Security deposit of \$6,300.

10. Early Termination Option:

Tenant shall have a one-time option to termination the lease at the end of the 48th month as defined in the lease. Should Tenant exercise the option, Tenant shall be required to pay a fee of \$36,180 (equivalent to \$6,030 per month for six (6) months) to the Landlord.

11. Option to Renew:

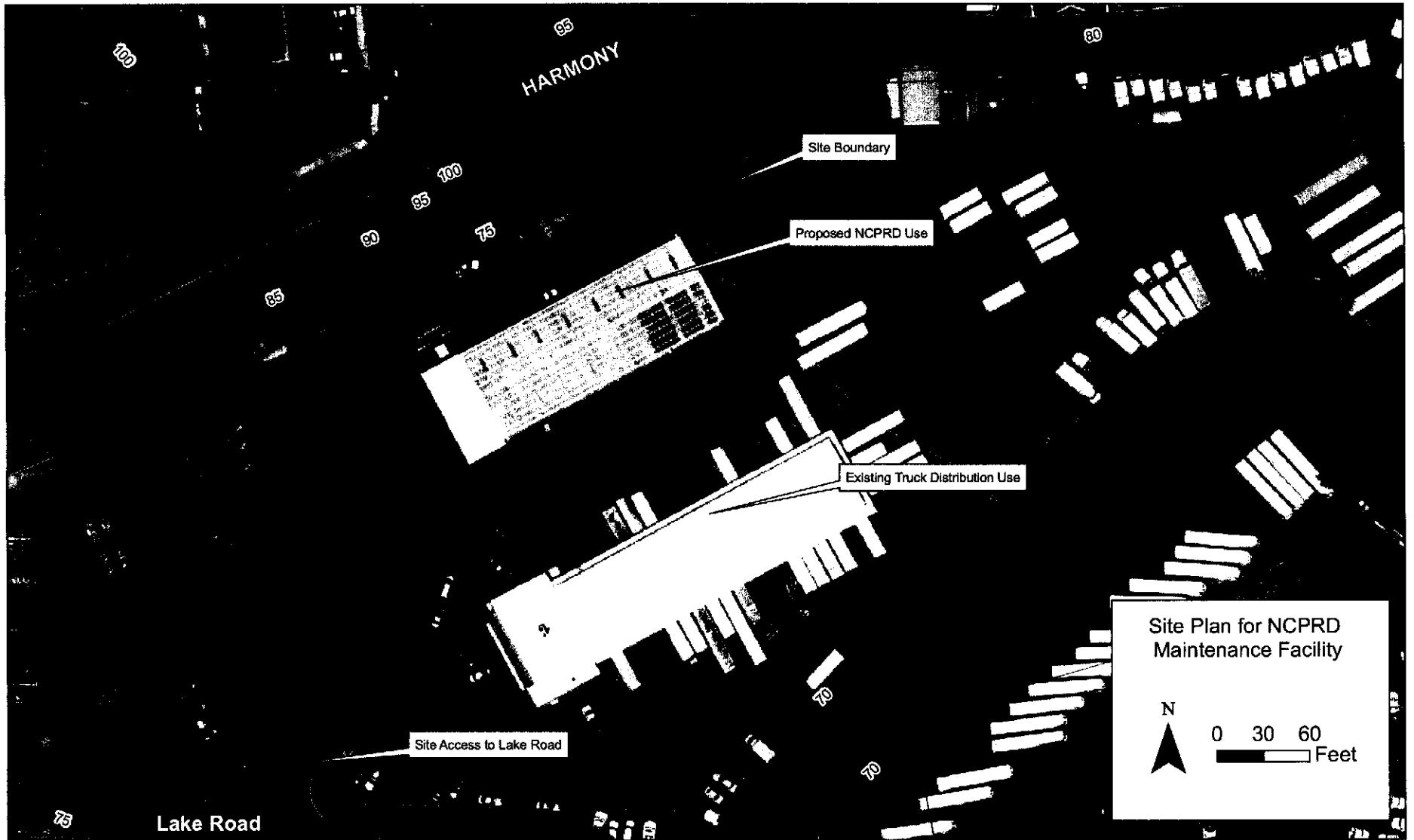
Tenant shall have One (1) - Five (5) year option to renew at fair market rates. The Option to Renew will be further defined in the lease.

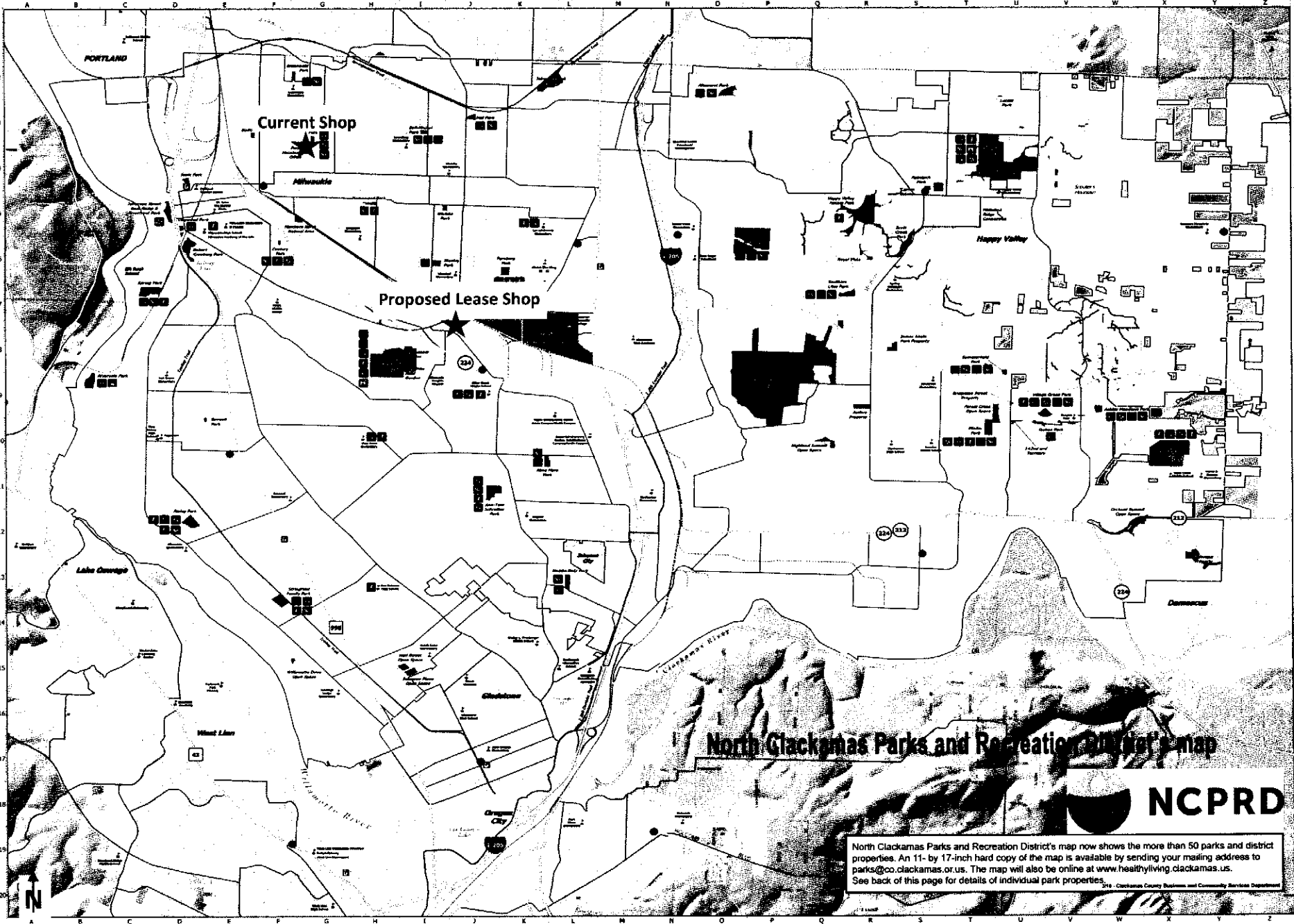
12. Brokerage Fee:

Upon execution of a lease, Landlord shall pay a commission totaling 6% of the aggregate net rent for the first five (5) years of the lease term and 3% on the remainder of the lease term to be split 50/50 by Landlord and Tenant's brokers.

14. Landlord's Approval:

This proposal and the lease to be executed are subject to the Landlord's approval of Tenant's financial statements to be provided upon Landlord's request.





North Clackamas Parks and Recreation District's map now shows the more than 50 parks and district properties. An 11-by 17-inch hard copy of the map is available by sending your mailing address to parks@co.clackamas.or.us. The map will also be online at www.healthyliving.clackamas.us. See back of this page for details of individual park properties.



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