



February 6, 2025

BCC Agenda Date/Item: _____

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County Counsel

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Board of County Commissioners
Clackamas County

Approval of a Lease Amendment with the Oregon Liquor and Cannabis Commission for 9900 SE McBrod Ave in Milwaukie. Amendment value is \$2 over 2 years. Funding is through budgeted County General Funds.

Previous Board Action/Review	List, by date and agenda item, any relevant Board deliberation or decision Briefed at Issues – February 4, 2025. Lease amendment 2, March 3, 2022. Item II.C.1. Lease amendment 1, June 28, 1999. Lease, March 9, 1992. Real Property Conveyance Agreement, April 25, 2024, Item 20240425 III.B.1.		
Performance Clackamas	1. Which indicator of success does this item affect? Build public trust through good government.		
Counsel Review	Initials: JM	Procurement Review	N/A
Contact Person	Jeffrey D. Munns Asst. County Counsel	Contact Phone	742-5984

EXECUTIVE SUMMARY: The Clackamas County Community Corrections Department has had a lease with OLCC since 1992 for the property located at 9900 SE McBrod Ave., Milwaukie, Oregon. This facility is used for residential treatment services and a stabilization center. Community Corrections and OLCC desire to continue the lease under the same terms.

OLCC is planning on selling the property and moving to their new location in Canby. OLCC and Community Corrections have entered into

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an agreement to partition the property along Johnson Creek, which flows north to south through the property, and transfer the western portion of the parcel to Clackamas County prior to the State of Oregon selling the remaining OLCC site. The partition application was recently filed with the City of Milwaukie to begin the land use approval process. At the conclusion of the land use application process, OLCC will transfer the western parcel to Clackamas County without receiving financial consideration and with a deed restriction requiring that the property be used for, "community corrections, law enforcement, substance abuse rehabilitation, behavioral health, and social services."

This lease amendment will terminate when the property is transferred, or August 31, 2026, or it is amended to extend the term.

RECOMMENDATION: Staff recommends approval of the lease amendment.

Respectfully submitted,



Jeffrey D. Munns
Assistant County Counsel

LEASE AMENDMENT 3

THIS LEASE AMENDMENT 3 (this “**Amendment**”) is made and entered into as of the ____ day of _____, 2025 (the “**Amendment Date**”), by and between the State of Oregon, acting by and through the Oregon Liquor and Cannabis Commission (formerly the Oregon Liquor Control Commission) (“**Lessor**”) and Clackamas County, a political subdivision of the State of Oregon (“**Lessee**”). Lessor and Lessee are each a “**Party**” and together the “**Parties.**” Capitalized terms used but not defined in this Amendment shall have the same definitions as set forth in the Lease.

RECITALS

- A. Lessor and Lessee are the Parties to that certain Lease dated March 9, 1992, as amended on June 28, 1999, and again on March 8, 2022 (as so amended, the “**Lease**”), for certain Premises in Clackamas County, Oregon.
- B. The Premises are part of a larger tract of real property owned by Lessor in Clackamas County, being tax lots 11E26AA00100 and 11E26AA00100E1 (“**Lessor’s Master Parcel**”).
- C. The Parties have entered into an agreement to partition and convey the portion of the property to the west of Johnson Creek to Lessee.
- D. The term under the Lease as Amended expires February 1, 2025, and Parties need more time to complete the conveyance transaction.
- E. Thus, the Parties wish to extend the term of the Lease on a month-to-month basis, while the Parties work to complete the land use approval of the partition and then to convey the property to Lessee.

AGREEMENTS

The Parties hereby agree to amend the Lease as follows:

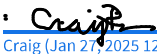
1. Monthly-to-Month Term. Commencing February 1, 2025, the term of the Lease will be month-to-month, terminating on the earlier of: (a) Lessor’s conveyance of any portion of Lessor’s Master Parcel containing the Premises to Lessee; or (b) August 31, 2026. Upon the termination of the Lease, all of the Parties’ rights and obligations under the Lease shall cease, except as specifically set forth therein. In the event the conveyance discussions do not result in a transaction, nothing contained in this Lease Amendment 3 precludes Parties from entering into a subsequent amendment or extension of this lease prior to this termination date.
2. Continuation of Lease Terms. Except as expressly amended herein, all other terms and conditions of the Lease shall remain in full force and effect.

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Each person signing this Amendment below on behalf of a Party represents and warrants that he or she is duly authorized by such Party and has legal capacity to do so.

LESSOR:

The State of Oregon, acting by and through the Oregon Liquor and Cannabis Commission

Signature  Craig (Jan 27, 2025 12:13 PST) Jan 27, 2025, 2025
Name Craig Prins Date
Title OLCC Executive Director

LESSEE:

Clackamas County, a political subdivision of the State of Oregon

Signature _____, 2025
Name Craig Roberts Date
Title Chair of the Board of County Commissioners