

From: Tourism & Cultural Affairs
 RE: 2nd Lease Amendment to Tourism Office Space in West Linn
 Date 02/04/2021

Members of the Board:

Approval of the lease amendment for the Tourism office space in West Linn.

Purpose/Outcome	Amends Tourism’s office space lease at 1830 Blankenship to return 686 square feet to Blackhawk LLLC, the landlord.
Fiscal Impact	Monthly rent is reduced by 15.35%
Funding Source	This lease is paid by Tourism with Transient Room Tax funds.
Duration	This permanent reduce the county’s obligation for the remainder of the ten year lease.
Previous Board Action	Prior board supported negotiated the amendment. Current board discussed and supported the broker engaging with the landlord to discuss options regarding the lease.
Counsel Review	This amendment was reviewed by County Counsel.
Staff Recommendation	Staff and broker support signing the lease amendment.
Contact Person	Samara Phelps samara@mthoodterritory.com
Attached	Lease amendment signed by the property owner

BACKGROUND:

In March of 2018 the county signed a ten year lease for the Tourism Department office space at 1830 Blankenship Rd. Due to the impacts of the pandemic, Tourism reduced staff from 17 positions to 4 in May of 2020. The department no longer requires the office space in West Linn. The county has contracted with a broker to find a sublease for the space. The current lease allows a sublease with the landlord’s approval. The broker will continue to seek a tenant to sublease the remaining office space.

**SECOND AMENDMENT
TO
OFFICE LEASE**

THIS SECOND AMENDMENT (“**Second Amendment**”), dated as of November 24, 2020, is made by and between Blackhawk, LLC (“Lessor”), and Clackamas County, by and through its Department of Tourism and Cultural Affairs (Lessee”), with reference to the following:

WHEREAS, Lessee and Lessor are parties to that certain office lease dated March 14, 2018 (the “**Lease**”), as amended, regarding the Willamette Corporate Center 1830 Blankenship Road, Suite 100 West Linn, Oregon 97068 (the “**Property**”) whose premises area is 4469 square feet;

WHEREAS, Lessor and Lessee have agreed to enter into this Second Amendment to set forth their agreement regarding the matters set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessee and Lessor hereby agree to the following:

1. **Terms.** All initially capitalized terms which are used in this Second Amendment, but not otherwise defined herein, shall have the same meanings as ascribed thereto in the Lease.
2. **Reduction of Space.** Lessor requires 686 square feet to facilitate the requirements of a neighboring tenant of the Property. Within sixty (60) days from the effective date of this Amendment, Lessor shall, at Lessors’ sole cost and expense, perform necessary alterations to reduce the space by installing demising walls, flooring, and any required relocation of electrical, plumbing, lighting, and heating and ventilation fixtures, fittings, and equipment (“**Reduction Work**”). At completion, Lessee’s amended space under the Lease will be 3783 square feet. Other than the reduction of the 686 square feet of space and unreserved parking spaces, described in Section 5 below, Lessor’s actions shall not alter Lessee’s existing use of the Property in any way.

In the event Lessor fails to complete the Reduction Work within sixty (60) days of the execution of this Second Amendment, Lessee’s Base Monthly Rent shall be reduced by an additional ten percent (10%) until the Reduction Work is completed. The ten percent (10%) shall be in addition to the reduction of rent provided under Section 3 of this Second Amendment.

3. **Reduction of Rent.** The Lessee’s Base Monthly Rent shall be reduced by 15.35% to account for the reduction of 686 square feet. The anticipated annual rent as a result of this reduction is attached hereto as Exhibit A and incorporated by this reference herein. The reduction of rent will begin within sixty (60) days from the effective date of this Second Amendment. The

EXHIBIT A

The following are the anticipated monthly rental payments under the Lease, as amended by this Second Amendment. These amounts may be subject to change under one or more terms and conditions set forth in the Lease, as amended, and are for illustrative purposes only.

Original Square Footage	4469	
Reduction Area Sq. Ft.	686	
Post Reduction Sq. Ft.	3783	
Current Monthly Rent Rate	\$ 2.45	
Schedule of Rents 2021		
January	\$ 10,966.13	
February	\$ 10,966.13	
March	\$ 9,282.81	Commencement of Rent Reduction
April	\$ 9,282.81	
May	\$ 9,282.81	
June	\$ 9,282.81	
July	\$ 9,282.81	
August	\$ 9,282.81	
September	\$ 9,282.81	
October	\$ 9,282.81	
November	\$ 9,282.81	
December	\$ 9,282.81	