



**DATE:** October 14, 2015  
**TO:** Board of Commissioners  
**FROM:** Patrick Quinton, Executive Director  
**SUBJECT:** Report Number 15-64

Authorizing the Execution of a Lease Amendment with Lease-It, Inc., for the Portland Development Commission Property Located at 3620 NE Martin Luther King, Jr. Boulevard and within the Interstate Corridor Urban Renewal Area

#### **BOARD ACTION REQUESTED**

Adopt Resolution No. 7150

#### **ACTION DESCRIPTION**

This action by the Portland Development Commission (PDC) Board of Commissioners (Board) will authorize the execution of Amendment Number One to Ground Lease Agreement (Lease Amendment) between PDC and Lease-It, Inc., for the PDC-owned real property located within the Interstate Corridor Urban Renewal Area (URA) and referred to as the 3620 NE Martin Luther King, Jr. Boulevard Surface Parking Lot (Property) (see Attachment A for a site map).

If approved, execution of the Lease Amendment will extend the term of the original lease for an additional five years and authorize PDC to take back the responsibility for payment of the electrical service for the parking lot light pole. PDC Board action is required because the aggregate term of the original lease exceeds five years.

#### **BACKGROUND AND CONTEXT**

PDC (as Lessor) and Lease-It, Inc. (as Lessee), entered into a Ground Lease Agreement (Lease) on December 12, 2010, to allow for the installation of a solar canopy with two electric vehicle (EV) charging stations and associated equipment on the Property. The initial term of the Lease was for five years and will expire on November 30, 2015. The Lease contains a provision allowing the Lessor to extend the term for an additional five years subject to approval by the PDC Board. PDC staff has met with Lessee to discuss the Lease termination, and the Lessee has requested the following:

1. To have PDC exercise its right to extend the Lease term for an additional five years, and
2. To amend the Lease to remove the responsibility for payment of the electrical service for the parking lot lighting to become the responsibility of the Lessor.

The Property consists of three separate tax lots comprising 9,000 square feet and has landscaped areas and a single light pole. The Property was originally acquired by the City of Portland (City) in 1982 in conjunction with the NE Union Avenue Improvement Project in order to provide off-street parking facilities for customers of businesses which were adversely affected by the loss of on-street parking.

Since its conveyance from the City to PDC on October 7, 2009, the Property has been operated and maintained as a 22-space surface public parking lot.

With regard to the removal of the obligation of the Lessee to pay for all of the electrical service serving the Property (the single light pole and electrical service to the two EV charging stations), this expense to PDC is minimal (see Attachment B for a 12-month summary of the electrical usage), and the single light pole provides night-time safety and security to the general public using the Property for vehicle parking.

The Lessee reports they have seen a steady increase in the usage of the two EV charging stations since the start of the Lease which then averaged approximately 10 visits per month and has steadily increased to an average of 25 visits per month last year and 35 visits per month to date for this current calendar year.

#### **COMMUNITY AND PUBLIC BENEFIT**

The community and public will continue to benefit from the presence of an EV charging station located in this neighborhood and on a major traffic arterial.

#### **PUBLIC PARTICIPATION AND FEEDBACK**

There was no community outreach regarding this proposed action.

#### **BUDGET AND FINANCIAL INFORMATION**

PDC will assume responsibility for payment of the electrical service to the single light pole at an average cost of \$37.20 per month. PDC staff will amend the Interstate Corridor URA budget and forecast accordingly (see Attachment C).

#### **RISK ASSESSMENT**

The risk to PDC of authorizing the Lease Amendment is minimal as the Lessee is responsible for all operations and maintenance of the EV charging stations in addition to naming PDC as an additional insured under its liability insurance policy.

#### **ALTERNATIVE ACTIONS**

The PDC Board could elect to not authorize the Lease Amendment.

#### **ATTACHMENTS**

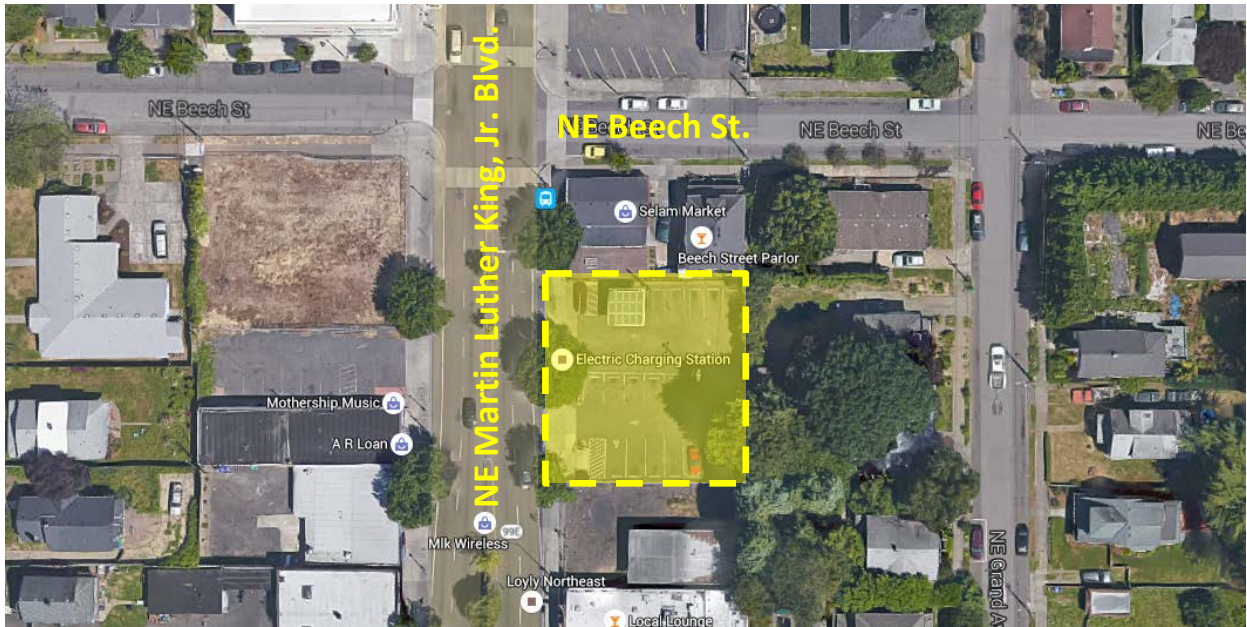
- A. Project Summary and Map
- B. Electrical Usage Summary
- C. URA Financial Summary

### PROJECT SUMMARY & MAP

- Project Name:** 3620 NE Martin Luther King, Jr. Boulevard Lease Amendment
- Description:** 9,000 square-foot, 22-space surface public parking lot with two electric vehicle-charging stations
- Location:** 3620 NE Martin Luther King Jr., Boulevard, Portland, Oregon 97212
- URA:** Interstate Corridor
- Current Phase:** Entering into Amendment Number One to Ground Lease Agreement with Lease-It, Inc.
- Next Milestone:** Execution of Lease Amendment
- Completion Target:** November 2015
- Outcome:** To extend the Lease term for an additional five years and to return the responsibility for the payment of the electrical service for the parking lot light pole to PDC



**Street level view of Property and EV Charging Station**



**Aerial photo of the lots comprising the Property**

**ELECTRICAL USAGE SUMMARY**

3620 NE Martin Luther King, Jr. Boulevard, Portland, Oregon 97212  
Real Property Tax Account #'S: R207198, R207199, R207200  
Public Surface Parking Lot with Electric Vehicle Charging Station

Electric Usage Summary for Light Pole and EV Charging Station

Pacific Power & Light

1.888.221.7070

Account #: 045 304 500 015

Meter #: 282 55909

Basic Monthly Fee: \$17.35

<b><u>MONTH</u></b>	<b><u>AMOUNT</u></b>
07/2015	\$18.12
06/2015	\$18.12
05/2015	\$18.12
04/2015	\$31.95
03/2015	\$31.05
02/2015	\$59.70
01/2015	\$67.36
12/2014	\$58.90
11/2014	\$39.63
10/2014	\$24.33
09/2014	\$31.22
08/2014	\$47.93
<b>Total</b>	<b>\$446.43</b>
<b>Average per Month</b>	<b>\$37.20</b>

Less:

**Basic Monthly Fee**      **[\$17.35]**

**Actual Monthly Average**      **\$19.85**

**URA FINANCIAL SUMMARY**

**Financial Summary**

**Fund Summary - Five-Year Budget Projections**

	Revised FY 2014-15	Adopted FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20
<b>Interstate Corridor URA Fund</b>						
<b>Resources</b>						
Beginning Fund Balance	15,550,161	19,815,852	11,017,190	10,001,433	13,435,342	16,467,496
Fees and Charges	5,800	2,200	1,500	1,500	1,500	1,500
Interest on Investments	72,000	59,448	33,052	30,004	40,306	49,402
Loan Collections	446,444	260,999	198,041	338,329	325,246	372,785
Property Income	171,776	1,008,536	303,280	304,209	305,161	306,137
Reimbursements	40,349	63,529	84,029	84,644	85,277	85,930
Short Term Debt	11,488,500	18,981,000	16,387,943	17,465,055	18,515,606	18,981,000
<b>Total Resources</b>	<b>27,775,030</b>	<b>40,191,564</b>	<b>28,025,035</b>	<b>28,225,174</b>	<b>32,708,438</b>	<b>36,264,250</b>
<b>Requirements</b>						
<b>Program Expenditures</b>						
<b>Administration</b>						
<b>Financial Administration</b>						
A45101370-Debt Management-ISC	39,966	41,466	22,532	22,532	22,532	22,532
<b>Administration Total</b>	<b>39,966</b>	<b>41,466</b>	<b>22,532</b>	<b>22,532</b>	<b>22,532</b>	<b>22,532</b>
<b>Business Development</b>						
<b>Business Lending</b>						
L00200370-BL -Modifications-INT	150	0	0	0	0	0
L00210370-BL -General-INT	650,000	8,651,000	650,500	650,500	650,500	650,500
<b>Small Business &amp; Community Dev</b>						
B55710370-NPI & Main St Network-ISC	50,000	50,000	50,000	50,000	50,000	50,000
B55800370-Business Development-ISC	5,000	5,000	5,000	5,000	5,000	5,000
B55900370-Community Development-ISC	25,000	25,000	25,000	25,000	25,000	25,000
<b>Traded Sector Business Dev</b>						
T01069370-Lean Manufacturing-ISC	50,000	50,000	50,000	50,000	50,000	50,000
<b>Business Development Total</b>	<b>780,150</b>	<b>8,781,000</b>	<b>780,500</b>	<b>780,500</b>	<b>780,500</b>	<b>780,500</b>
<b>Housing</b>						
<b>PHB Housing</b>						
H15410370-Home Repair Projects-ISC	527,928	500,000	500,000	500,000	500,000	500,000
H15420370-Home Buyer Assistance-ISC	786,614	1,000,000	500,000	500,000	500,000	500,000
H15430370-Affordable Rental Hsg-ISC	211,628	4,914,986	7,250,000	6,600,000	7,792,304	1,800,000
H15440370-Beech St Apartments-ISC	0	182,893	0	0	0	0
H15900370-PHB Staff & Admin-ISC	422,137	1,330,877	1,325,055	1,064,651	1,157,221	508,688
<b>Housing Total</b>	<b>1,948,307</b>	<b>7,928,756</b>	<b>9,575,055</b>	<b>8,664,651</b>	<b>9,949,525</b>	<b>3,308,688</b>
<b>Infrastructure</b>						
<b>Parks</b>						
N37017315-Bridgeton-ISC-Adm	0	0	1,500,000	0	0	0
N37017415-Dawson Park-ISC-Adm	200,000	0	0	0	0	0
N37017515-Small Scale Improv-ISC-Adm	0	603,000	0	0	0	0
<b>Transportation</b>						
N37037615-Denver Streetscape-ISC-Adm	48,400	0	0	0	0	0
N37037715-Killingsworth Stscape-ISC-Adm	50,000	2,950,000	0	0	0	0
N37037815-Lombard Investment-ISC-Adm	100,000	2,200,000	0	0	0	0
<b>Infrastructure Total</b>	<b>398,400</b>	<b>5,753,000</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Property Redevelopment</b>						

**Financial Summary**

**Fund Summary - Five-Year Budget Projections**

	Revised FY 2014-15	Adopted FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20
<b>Commercial Property</b>						
<b>Redevelopment</b>						
P37050215-MLK Alberta-ISC	85,000	10,000	579,600	190,855	199,553	200,858
P37054815-Kenton Redev Dtnw-ISC-Adm	85,000	65,000	0	0	0	0
P37060125-Nelson Bldg-Indust-ISC-Adm	521,865	703,187	68,187	68,187	68,187	68,187
P37060145-Spar-Tek Building-ISC-Adm	34,891	24,685	24,685	24,685	24,685	24,685
P37060155-Argyle Lot-ISC-Adm	7,273	3,430	3,430	3,430	3,430	3,430
P37060215-3620 NE MLK Prkng-ISC-Adm	9,381	9,700	9,700	9,700	9,700	9,700
P37060415-C&M Motors Lot-ISC-Adm	147,443	4,724	0	0	0	0
P37060515-Reiss House-ISC-Adm	9,211	8,611	0	0	0	0
P37090015-Project Development-ISC-Adm	20,000	20,000	20,000	20,000	20,000	20,000
P37092015-Real Estate Mgmt-ISC-Adm	14,886	15,290	5,000	5,000	5,000	5,000
<b>Commercial Real Estate</b>						
<b>Lending</b>						
R01100370-CPRL-General-ISC	500,000	2,472,000	2,002,000	1,277,000	1,277,000	1,277,000
<b>Community Redevelopment</b>						
<b>Grants</b>						
G01100370-CLG-General-ISC	300,000	300,000	300,000	300,000	300,000	300,000
G02100370-DOS-General-ISC	100,000	100,000	100,000	100,000	100,000	100,000
G03100370-SIP-General-ISC	500,000	500,000	500,000	500,000	500,000	500,000
G04100370-GFGP-General-ISC	100,000	100,000	100,000	100,000	100,000	100,000
<b>Property Redevelopment Total</b>	<b>2,434,950</b>	<b>4,336,627</b>	<b>3,712,602</b>	<b>2,598,857</b>	<b>2,607,555</b>	<b>2,608,860</b>
<b>Total Program Expenditures</b>	<b>5,601,773</b>	<b>26,840,849</b>	<b>15,590,689</b>	<b>12,066,540</b>	<b>13,360,112</b>	<b>6,720,580</b>
Personnel Services	461,957	491,371	558,090	585,994	615,294	646,059
Transfers - Indirect	1,895,448	1,842,154	1,874,823	2,137,298	2,265,536	2,197,570
<b>Total Fund Expenditures</b>	<b>7,959,178</b>	<b>29,174,374</b>	<b>18,023,602</b>	<b>14,789,832</b>	<b>16,240,942</b>	<b>9,564,209</b>
Contingency	19,815,852	11,017,190	10,001,433	13,435,342	16,467,496	26,700,041
Ending Fund Balance	0	0	0	0	0	0
<b>Total Requirements</b>	<b>27,775,030</b>	<b>40,191,564</b>	<b>28,025,035</b>	<b>28,225,174</b>	<b>32,708,438</b>	<b>36,264,250</b>