

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7213**

**AUTHORIZING THE EXECUTION OF A LEASE AMENDMENT WITH SPAR-TEK INDUSTRIES, INC. FOR THE PORTLAND DEVELOPMENT COMMISSION PROPERTY LOCATED AT 2221 N. ARGYLE STREET WITHIN THE INTERSTATE CORRIDOR URBAN RENEWAL AREA**

**WHEREAS**, on May 30, 2011, the Portland Development Commission (“PDC”) Board of Commissioners (“Board”) through Resolution No. 6872 authorized the acquisition of a 59,485 square foot property including a 35,000 square foot industrial building located at 2221 N. Argyle Street (the “Property”) in the Interstate Corridor Urban Renewal Area;

**WHEREAS**, on June 30, 2011, PDC assumed a Lease Agreement (“Lease”) with Spar-Tek Industries, Inc. to allow for the engineering and fabrication of machinery used in the plywood, laminated veneer lumber, and rubber industries;

**WHEREAS**, the existing Lease expires on November 30, 2016;

**WHEREAS**, PDC and Spar-Tek Industries, Inc. desire to extend the Lease for an additional term of seven years along with other negotiated Lease terms and conditions;

**WHEREAS**, it is deemed desirable to delegate authority to the Executive Director to further extend the term of the Lease if deemed desirable, provided that term extensions beyond November 30, 2023, shall require PDC Board approval; and

**WHEREAS**, there is no anticipated development of this Property by PDC within the next eight to twelve years.

**NOW, THEREFORE, BE IT RESOLVED**, that that the PDC Board authorizes the Executive Director to execute an amendment to extend the Lease with Spar-Tek Industries, Inc. for the premises located at 2221 N. Argyle Street in a form substantially similar to that shown in Exhibit A attached hereto; and

**BE IT FURTHER RESOLVED**, that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on October 12, 2016



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Anne Crispino-Taylor, Recording Secretary

**RESOLUTION NO. 7213**

**RESOLUTION TITLE:**

AUTHORIZING THE EXECUTION OF A LEASE AMENDMENT WITH SPARTEK INDUSTRIES, INC. FOR THE PORTLAND DEVELOPMENT COMMISSION PROPERTY LOCATED AT 2221 N. ARGYLE STREET WITHIN THE INTERSTATE CORRIDOR URBAN RENEWAL AREA


Adopted by the Portland Development Commission on October 12, 2016

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Alisha Moreland-Capuia MD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

**CERTIFICATION**

**The undersigned hereby certifies that:**

*The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.*

	<b>Date:</b>  October 13, 2016
<b>Anne Crispino-Taylor, Recording Secretary</b>	

**Amendment Number Four to Lease-Business Property  
Spar-Tek Industries, Inc.**

This Amendment Number Four to Lease Agreement is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2016 between the Portland Development Commission and Spar-Tek Industries, Inc. an Oregon Corporation and as further defined below.

**Recitals**

- A. Whereas 2221 N. Argyle LLC, an Oregon Limited Liability Company (as “Lessor”) and Spar-Tek Industries, Inc., an Oregon Corporation. (as “Lessee”) entered into that certain Lease-Business Property, dated December 01, 2005 (the “Lease”) pertaining to real property commonly known as the 2221 N. Argyle Street Building consisting of approximately 35,000 square feet, located at 2221 N. Argyle Street, Portland, Oregon 97217 and legally described as; NATIONAL ADDITION, BLOCK 1\$2 TAX LOT 900 Real Property Tax ID Number R224791, City of Portland, County of Multnomah, State of Oregon (the “Property”) The Lease was amended on or about July 26, 2010 to extend the term through November 30, 2011 (the “Amendment Number One”) and on or about June 13, 2011 to extend the term through November 30, 2013 and to provide the Lessor with the option to renew the Lease at the current lease rate for an additional three (3) years beginning December 1, 2013 and ending November 30, 2016 (the “Amendment Number Two”) and on or about November 01, 2013 to extend the term through November 30, 2016 and to allow for Lessee’s Right to Early Termination (the “Amendment Number Three”) (the Lease, Amendment Number One, Amendment Number Two and Amendment Number Three are collectively referred to as the “Agreement”). The Agreement is hereby attached and referenced as Exhibit “A”; and
- B. Whereas on or about June 30, 2011 the Property was sold by the Lessor and acquired by the City of Portland, acting by and through the Portland Development Commission (as “PDC” or “Owner”) and the Agreement was assigned by the Lessor to PDC; and
- C. Whereas by this Amendment Owner and Lessee have agreed to extend the term of the Agreement and have further agreed to certain modifications to the Agreement that the parties intend to memorialize in writing herein.

### Agreement

In consideration of the mutual covenants and conditions contained in the Agreement as amended herein the parties hereby agree as follows:

1. **Extension of Lease Termination Date.** Owner and Lessee mutually agree to extend the termination date of the Agreement from December 01, 2013 to November 30, 2023.
2. **Base Rent Due to Owner.** Lessee shall pay to Owner the sum of \$10,400.00 per month as its Base Rent from December 01, 2016 through November 30, 2018. Thereafter the Base Rent shall be adjusted annually on December 01, of each remaining Lease year in accordance with the increase of the Consumer Price Index (CPI-Portland-Salem, OR-WA, All Items, Base Period: 1982-84 = 100) with a minimum increase of two-and-one-half-percent (2.50%) and a maximum increase of five-percent (5.00%).
3. **Base Rent Abatement Schedule.** Lessee shall receive a Rent Abatement credit in the amount of \$5,000.00 per month for the consecutive months of December 2016 through July 2018 and to be applied as a credit against Lessee's monthly Base Rent amount due.
4. **Tenant Improvement Loan.** Lessee shall receive a Tenant Improvement Loan in the amount of \$50,000.00 payable to Lessee or before December 31, 2016. The annual interest rate for this loan shall be 8.00% amortized over the seven (7) year term of this Lease Extension. Tenant shall repay to Owner the sum of no less than \$799.00 per month from the months of December 2016 through November 2023.
5. **Lessee's Right to Early Termination.** Lessee shall have the right to terminate this Agreement at any time after May 30, 2021 by providing Owner with no less than six (6) months advance written notice of Lessee's intent to terminate. In the event Lessee exercises this right then Lessee agrees to repay, in full, any remaining balance owed for the Tenant Improvement Loan prior to the Lessee's early termination date.

Except as herein modified, all of the terms, conditions and requirements of the Agreement shall remain in full force and effect.

*[the remainder of this page left blank intentionally]*

*[signatures appear on the following page]*

**OWNER:**  
**City of Portland, acting by and through the  
Portland Development Commission**

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Kimberly Branam, Executive Director

APPROVED AS TO FORM

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PDC Legal Counsel

**TENANT:**  
**Spar-Tek Industries, an Oregon Corporation**

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Signature

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Name

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Title