

Council Business Meeting

November 16, 2021

Agenda Item	Briscoe School Lease Extension	
From	Gary Milliman	City Manager Pro Tem
Contact	Gary.milliman@ashland.or.us	

SUMMARY

A six-month extension to the existing lease agreement between the City of Ashland and the Oregon Child Development Coalition.

POLICIES, PLANS & GOALS SUPPORTED

[List any current Council goals, comp plan element, master plan, or other adopted policy document this item relates to, including a brief narrative on how the item relates to the listed policy/plan/goal unless obvious.]

PREVIOUS COUNCIL ACTION

The City Council approved a Lease Amendment in 2018 extending the lease term to December 31, 2021

BACKGROUND AND ADDITIONAL INFORMATION

The City acquired the Briscoe School property from Ashland Public Schools in 2018 and assumed the existing lease with the Oregon Child Development Coalition. That lease agreement was amended in 2018 to extend the term to December 31, 2021. The City is currently in negotiation with OCDC concerning a longer-term lease or acquisition of the property by OCDC. Additional time is needed to explore options, process a land division and update property value information. The City acquired the property from the school district in 2018 for \$2.04 million. The acquisition is funded by \$500,000 through the APRC (actually, City funds appropriated to APRC) paid to the school district at \$50,000 annually, and \$1,540,000 from the City General Fund, paid at \$110,000 annually. The APRC portion is for the former playground, which is intended to be separated from the school building through a future partition. The City is retaining consultant services to prepare the partition application. The balance due the school district from the City as of July 1, 2021 was \$1,210,000. OCDC pays rent to the City in the amount of about \$184,000 annually.

FISCAL IMPACTS

No changes in the current financial arrangement.

STAFF RECOMMENDATION

Staff recommends a six-month extension to the current lease agreement with no other changes in terms.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

Motion to authorize the City Manager Pro Tem to execute a Lease Amendment between the Oregon Child Development Coalition and the City of Ashland extending the term of the lease through June 30, 2022.

REFERENCES & ATTACHMENTS

Lease Amendment

AMENDMENT NO. 2

to the
LEASE
between

THE CITY OF ASHLAND, OREGON,
a municipal corporation (hereinafter “City”),
and
OREGON CHILD DEVELOPMENT COALITION, INC.,
an Oregon non-profit corporation (hereinafter “OCDC”),
for the
PROPERTY LOCATED AT 265 NORTH MAIN STREET,
ASHLAND, OREGON
(hereinafter the “Briscoe School Property”)

RECITALS

- A. The Ashland School District and OCDC previously entered into a five-year lease agreement on December 19, 2014, for the lease of the Briscoe School Property (hereinafter the “Lease”); and
- B. The Ashland School District sold the Briscoe School Property to the City pursuant to a Real Estate Purchase and Sale Agreement fully executed on March 29, 2018, and transferred all of its rights under the Lease to the City; and
- C. The City and OCDC previously amended the Lease on or about December 4, 2018, to increase the occupancy of the Briscoe School Property by OCDC and to extend the term of the Lease until December 31, 2021, along with other changes (hereinafter “Amendment No. 1”); and
- D. The City and OCDC wish to amend the terms of the Lease to extend its term for a period of six months.

AGREEMENT

NOW THEREFORE, in consideration of the mutual benefits and obligations set forth herein, Ashland and OCDC agree as follows:

- 1. Amend Section 1, TERM, POSSESSION, AND OPTION TO RENEW, of the Lease as follows with ~~strikeout~~ wording deleted and underscored wording added:

The City and OCDC hereby agree to extend the term of the Lease for a period of six (6) months until June 30, 2022. ~~The City and OCDC hereby agree to exercise the option to renew for two additional years, the new term of the lease is January 1, 2019, through December 31, 2021. The parties acknowledge that there is an error in these dates in the~~

~~original agreement.~~

Two (2) additional 3-year extensions of this ~~Lease agreement~~ will be available if agreed to by both parties in writing. OCDC will notify the City of its desire to exercise an extension at least sixty (60) ~~180~~ days prior to the expiration of this or any extension of the term. The City will respond to the request withing ten (10) business days of ~~or~~ receiving the required notice from OCDC.

2. Except as specifically modified by this Amendment No. 2, the terms and conditions of the Lease and Amendment No. 1 remain in full force and effect.
3. This Amendment No. 2 is effective December 31, 2021.

IN WITNESS WHEREOF the parties have caused this Amendment No. 2 to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

CITY OF ASHLAND, OREGON

**OREGON CHILD DEVELOPMENT
COALITION, INC.**

By: _____

By: _____

Printed Name: Gary Milliman

Printed Name: _____

Title: City Manager Pro Tem

Title: _____

Date: _____

Date: _____