



## Staff Report

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**File #:** 18-142

**Version:** 1

**Date:** 4/9/2018

**Item #:** 3.3b.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Kristin Rethorford, Urban Development Department Director

**SUBJECT:**

Amendment to lease with Salem-Keizer School District 24J for property located at 360 Commercial St. NE.

Ward(s): 1

Councilor(s): Kaser

Neighborhood(s): CANDO

**ISSUE:**

Shall the City Council authorize the City Manager to execute the attached amendment to the lease with Salem-Keizer School District 24J?

**RECOMMENDATION:**

Authorize the City Manager to execute the attached amendment to the lease with Salem-Keizer School District 24J.

**SUMMARY AND BACKGROUND:**

Salem-Keizer School District 24J (District) currently leases the tenant space at 360 Commercial Street NE (Premises) located in the Chemeketa Parkade. The District's current lease expires on June 30, 2018. The District uses the Premises as the site of The Downtown Learning Center, a resource assisting teens seeking to obtain their GED.

**FACTS AND FINDINGS:**

The leasehold space at 360 Commercial Street NE contains 3,975 square feet and was developed primarily for retail use and to support the downtown core. The current lease (Attachment 1) provides the District with a lease term through June 30, 2018. The proposed amendment (Attachment 2) with

the District is for a one year term, but provides them with the option to extend annually through June 30, 2023, as their needs dictate. The District desires flexibility with this lease as they continue to evaluate this program and its needs.

The initial term is for one year and provides the option for four one-year renewal periods. The base monthly rent for the initial term is \$4,498.00 and will be increased one percent (1.0%) for each option period as shown below. Additionally, the District pays common area expenses of \$886.93 per month.

|                              |            |
|------------------------------|------------|
| July 1, 2019 - June 30, 2020 | \$4,542.98 |
| July 1, 2020 - June 30, 2021 | \$4,588.41 |
| July 1, 2021 - June 30, 2022 | \$4,634.29 |
| July 1, 2022 - June 30, 2023 | \$4,680.64 |

Clint Dameron  
Real Property Services Manager

**Attachments:**

1. Current Lease
2. Proposed Amendment