CITY OF SALEM

Staff Report

File #: 18-385	**Date:** 8/27/2018
Version: 1	**Item #:** 4.3c.

TO: Urban Renewal Agency Board

THROUGH: Steve Powers, Executive Director

FROM: Kristin Retherford, Urban Development Dept. Director

SUBJECT:

Lease with Capitol Auto Group for property located at 2640 Portland Road NE

Ward(s): 5
Board Member(s): Ausec
Neighborhood(s): Northgate

ISSUE:

Shall the Agency authorize the Executive Director to execute the attached lease with Capitol Auto Group for property located at 2640 Portland Road NE?

RECOMMENDATION:

Authorize the Executive Director to execute the attached lease with Capitol Auto Group for property located at 2640 Portland Road NE.

SUMMARY AND BACKGROUND:

On February 12, 2018, the Agency Board authorized the Executive Director to execute a Purchase and Sale Agreement (Attachment 1) for the acquisition of property located at 2640 Portland Road NE (Property), and on June 25, 2018, the Agency Board authorized the Executive Director to execute a lease for the Site (Lease)(Attachment 2) to allow for the staff to complete its due diligence on acquiring the Property in fee title.

Staff has received an inquiry for a short term lease (Sublease) of the Property from Capitol Auto Group (Lessee) to store automobiles on the site.

FACTS AND FINDINGS:

Staff and Lessee have come to terms on a proposed Sublease for the Property (Attachment 3). The terms of the Sublease are below.

Start date: September 1, 2018

End date: September 30, 2018

Renewals: Automatic monthly renewals, terminable by either party with 30 day written notice

Premises: 69,126 square foot paved parking area (excludes existing building)

Lease rate: $2,000 per month gross

Permitted use: Storage of undamaged automobiles

Lessor Option: Lessor may reduce Sublease footprint with 30 day notice to accommodate new tenants on the Property or in the building

Clint Dameron
Real Property Services Manager

Attachments:
1. Purchase and Sale Agreement
2. Lease
3. Proposed Sublease