



## BOARD OF COMMISSIONERS

# AGENDA REQUEST & STAFF REPORT

**MEETING DATE:** August 9, 2023

**SUBJECT:** Approval of Board signature of a lease with Getz Properties, LLC for space at 2100 NE Wyatt Court

**RECOMMENDED MOTION:**

Move approval of Document No. 2023-721, a lease with Getz Properties, LLC.

**BACKGROUND AND POLICY IMPLICATIONS:**

In 2022, Deschutes County Health Services completed a space analysis to help determine how much additional space is needed to accommodate staff. This process realized the need for approximately 10,000 additional square feet, which was presented to the Board in July 2022. At that time, the Board supported identifying leased space to accommodate the needs.

In January 2023, staff presented an opportunity to the Board to lease 10,700 square feet located at 2100 NE Wyatt Court, Bend, which would allow Health Services to vacate the Williamson leased space (5,600 sf) and complete strategic program relocations. Since that time, Property Management completed the lease negotiations, and Health Services finalized programming and determined that the space will be occupied by Public Health: Environmental Health and Prevention, Behavioral Health: Intellectual and Development Disabilities, and Administrative Services including the Director's Office. Additionally, Facilities and Health Services worked collaboratively to determine the tenant improvement scope of work.

**Lease specifics include**

- Lease Term: Initial 5-year lease with two 5-year renewal options
- Lease Commencement: September 1, 2023
- Initial Base Rent: \$2.02 per square foot or \$21,625/month with 2% annual escalations
- Initial NNN: \$0.41 per square foot or \$4,400/month –reconciled annually effective 2025
- Security Deposit: Zero
- Abatement (no charge for rent or NNN): First 2-months, \$52,050
- Landlord is providing the County the first right of refusal to purchase the building

Facilities has provided a cost estimate to complete the tenant improvements to prepare the space for occupancy; +/- \$300,000 or \$28 per square foot. Of the estimated cost, it is anticipated the current tenant will cover approximately \$13,000 and the landlord will contribute approximately \$9,600, for a revised estimated total of +/- \$277,400 or \$26 per square foot.

#### Rough scope of work

- Access control
- Information technology equipment
- Reception window
- Carpet replacement
- Paint

It is estimated that Health Services will occupy the space November 2023 pending completion of the above work.

#### **BUDGET IMPACTS:**

Health Services has budgeted for monthly rent and most of the NNN and the cost to complete the tenant improvement scope of work. A future budget adjustment may be needed to accommodate furniture and fixtures.

#### **ATTENDANCE:**

Kristie Bollinger, Property Manager

Lee Randall, Facilities Director

Janice Garceau, Health Services Director

Christopher Weiler, Health Services Operations Officer