

September 21, 2000

01-019

AUTHORITY TO ENTER INTO A LEASE FOR A NEW
CENTER IN NEWBERG

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REPORT: For several years the College has rented three small inconvenient facilities in Newberg which comprised only a few office-type suites. It was determined that a larger, more accessible site was needed to handle the expanding program needs in the Newberg area. A facility was recently located that meets all of these needs, which is about 3,500 sq. ft. in size, and is located at 301 S. Elliott Street in Newberg. The lease rate is presently \$2,720.00 per month, and would be adjusted annually based on the Portland CPI. An Offer to Lease was signed, by the authority of the President, on September 1st for a lease commencement date of September 15, 2000.

The initial term of the Lease will be for three (3) years through September 14, 2003 (for a total cost of approximately \$100,000). The lease can also be extended for two (2) additional years through September 14, 2005 (for an additional cost of approximately \$75,000). The total amount of lease fees that would be paid over the maximum five (5) year term would be approximately \$175,000, an amount requiring Board authorization.

RECOMMENDATION: That the Board of Directors authorize a Lease Agreement for a Newberg Center for a maximum term not-to-exceed five (5) years, and for total lease fees of approximately \$175,000. Lease payments will be made from General Funds.