

Outline of Terms
Long Term Lease of Land in Bethel Park

The City (Lessor) intends to lease property to the YMCA (Lessee) so that they may construct and operate a community recreation center in Bethel Park.

Property: The area to be leased contains 189,050 square feet or 4.3 acres, and is depicted in Exhibit A to this Outline of Terms. The land shall continue to be owned by Lessor; Lessee will retain title to all facilities built by Lessee within the lease area, for as long as the lease is in effect. If the lease is terminated or allowed to expire following construction, all facilities will transfer to Lessor at no cost to Lessor.

Lease Cost: \$1.00 per year.

Term of Lease: 25 years, renewable with agreement by both parties in increments of up to 15 years, not to exceed a total of 99 years (ORS 271.310).

Due Diligence Period: Upon the execution of a Lease, Lessee will have a period of 100 days in which to review property information and to conduct on site testing to determine the condition of the property at Lessee's sole cost.

Deposit: No deposit shall be required.

Environmental Condition: During the Due Diligence Period, Lessee will be able to perform environmental investigation to satisfy itself of the environmental condition of the property. The investigations must be scheduled with the Lessor and the results provided to the Lessor for review. Based on the information provided in the environmental assessment, Lessee may either move forward with the lease of the site or rescind the offer to lease the site.

Lease: Following City Council's approval of these terms, Lessee and Lessor shall enter into a formal Lease Agreement consistent with the approved terms.

Financing: Prior to commencement of construction of Lessee's proposed facilities, Lessee shall demonstrate to Lessor that all financing necessary for the project has been secured. Land owned by Lessor shall not be used as security for any financing of structures within the lease area.

Purpose: Lessee is proposing to construct an approximately 60,000 square foot YMCA community center on the site, to provide community center services to both YMCA members and the general community. Both Lessee and Lessor acknowledge that this agreement is of mutual benefit in providing recreational activities, health and wellness services, and education to the community, and pledge cooperation in providing access to these services to all community members.

Permit and Land Use Approvals: Lessee is responsible for complying with all applicable laws pertaining to the development, construction and use of the proposed facilities. The development of a community

center in Bethel Community Park will require either a modification to the existing Conditional Use Permit (CUP) or a new CUP approval for the development of the park, as well as other permit approvals. Lessee will cover all costs of all permit application preparation and fees, except for costs for Parks and Open Space Division staff time to support the CUP application, not to exceed \$25,000, to be borne by Lessor. While the Parks and Open Space Division will provide limited support to the application, this effort is separate from and outside the City's permit review process and in no way implies City approval of necessary permits. If Lessee is unable to obtain permit or land use approvals required to order to construct Lessee's planned facilities, Lessor reserves the right to terminate the lease.

Facility Design and Construction:

- Lessee will be responsible for the capital funding of all phases of the facilities within the leased area.
- Lessee will build a 4,000sf finished space, with both exterior and interior entries, within the leased area to be utilized by the Lessor as a Branch Library. Lessee will own the structure. Lessee will consult with the Lessor for the specific design of the Branch Library component.
- Lessee will determine facility components and design of all phases in compliance with land-use regulations, subject to approval by Lessor.
- Lessee will consider and/or support additional improvements to the proposed facility should Lessor propose and fund such improvements. Depending on the nature, location and magnitude, such improvements may require re-negotiating the lease agreement.
- A future Aquatics center will be a component of the overall design of the facility, but Lessee will need prior approval from Lessor to build an Aquatics facility. If Lessee builds an Aquatics facility, Lessee will be responsible for all capital costs, as well as costs for ongoing operations and maintenance.

Operations and Maintenance:

- Lessee will be responsible for the upkeep and maintenance of all facilities within the lease area.
- Lessee will maintain exclusive operating rights and financial responsibility for all programs and services housed in the facility, excepting any specific agreements made with the City, school district or other partners.
- Lessee will ensure that people of all ages and economic levels will be provided access to the programs and services offered at the facility, comparable to the accessibility offered at municipal community centers, including but not limited to scholarship subsidies.
- Lessee will ensure ongoing access to meeting rooms and classroom space for community use, insofar as such use is compatible with the Lessee's mission and service.
- If the City continues to have a Bethel Branch Library, lessor will be responsible for the monthly custodial and utilities costs, operating costs and cost of furnishings of the Branch Library. Lessor will pay lessee the same total monthly rent the city is paying for the current branch library facility. This lease rate will be reviewed by the parties every 5 years.
- Lessee will be responsible for operating consistent with Lessor's adopted Park Rules.

Parking. Lessee will cover all costs related to construction and maintenance of parking that is required under City Code for the construction of the Lessee's facilities.

Utilities. Constructions of Lessee's facilities may require connections to underground utilities that are outside the lease area. Lessor and Lessee will execute a limited duration construction lease and a utility easement to address such situations. Lessor will be responsible for all costs associated with making such utility connections.

Wetland Mitigation: Construction of Lessee's facilities will likely require a state/federal wetland fill permit, as well as compensatory mitigation under those permitting programs. Lessor agrees to work with Lessee to accommodate wetland mitigation within Lessor's park and outside of the lease area to the extent practicable.

Stormwater Fees: Stormwater fees related to impervious surfaces within the lease area will be paid by Lessee.

Insurance: Lessee shall carry all required insurance to own facilities and operate programs within the lease area.

Taxes: Lessee shall be responsible for any taxes due related to the structures and programs within the lease area.

Condition of the Property at Closing: Lessee is leasing the Property "as is" in its current condition. Lessee's expectations concerning the Property are to be based solely on the basis of Lessee's own inspection and investigation of the Property. Lessee shall be responsible for determining that the land and infrastructure is adequate for the development of its proposed facility in regards to sewer service, water, electricity, street access, adequate parking, permits, zoning, and related traffic control costs.

Timing of Construction: If Phase I of Lessee's facility is not completed and operational within 5 years of execution of this lease, City retains the right to terminate the lease.

Duration of Lease Terms: The City's offer of these terms is valid for 6 months from the date of approval by the City Council.