

# Agenda Item Number 10.a.

## Park Place Building Improvement Financing

**Presenter:** Bob Swank

**Action Recommended:** Adopt Resolution 2010-2 Authorizing Borrowing for the Office Improvements for the Federal Public Defender

### **Background:**

Last fall a lease agreement was signed between LCOG and the United States of America to lease about 5,000 square feet of space on the second floor of the Park Place Building to provide offices for the Federal Public Defender. Construction is currently underway with an expected occupancy date of June 1, 2010.

The estimated total cost of the improvements is about \$400,000. However, LCOG, in its role as the landlord, is only required to pay \$219,963 of the total cost. Rather than draw on the LCOG General Fund, Umpqua Bank was asked to lend \$220,000 for the improvement expense. The Bank offered to lend the money on a five year amortization at 7% interest. The lease agreement includes payments to amortize the LCOG expense over the first five years of the lease.

### **Action:**

The LCOG Board is asked to adopt Resolution 2010-2 authorizing a loan from Umpqua Bank for \$220,000.