

Agenda Item Number 12.e.

Park Place Building Improvement Financing

Presenter: Bob Swank

Action Recommended: Adopt Resolution 2011-6 Authorizing Borrowing for the Office Improvements for the Dynamic Measurements Group

Background:

Last month a lease agreement was signed between LCOG and the Dynamic Measurements Group to lease about 5,965 square feet of space on the third floor of the Park Place Building. Construction is expected to begin this month with an expected occupancy date of March 1, 2012.

The estimated total cost of the improvements is about \$300,000, with the tenant paying \$20,000 of the expense. Rather than draw on the LCOG General Fund, Umpqua Bank was asked to lend \$280,000 for the improvement expense. The Bank tentatively offered to lend the money on a five year amortization at about 5% interest. The lease is for ten years with an option for a five year renewal.

Action:

The LCOG Board is asked to adopt Resolution 2011-6 authorizing a loan from Umpqua Bank for \$280,000.