

# Council Business Meeting

June 7, 2022

Agenda Item	Briscoe School Lease Extension Approval	
From	Joseph Lessard	City Manager
Contact	<a href="mailto:Joe.lessard@ashland.or.us">Joe.lessard@ashland.or.us</a>	

## **SUMMARY**

Before the Council is a request to approve the three (3) year extension of the current Briscoe School lease with the Oregon Childhood Development Coalition (OCDC).

## **POLICIES, PLANS & GOALS SUPPORTED**

## **PREVIOUS COUNCIL ACTION**

The City approved the acquisition of the Briscoe School Property at the March 20, 2018 Business Meeting ([Staff Report](#), [Minutes](#)). OCDC was a current tenant of the school district and their lease was transferred to the City of Ashland as the new owners of the property and associated buildings. The City Council approved a Lease Amendment in 2018 after taking ownership of the Briscoe School Building. The least amendment extended the lease term to December 31, 2021 and provided pre-approval for OCDC to make minor improvements to the buildings ( . The City Council again at the November 16, 2021 Business Meeting extended the lease for an additional six (6) months ([Staff Report](#), [Minutes](#)).

## **BACKGROUND AND ADDITIONAL INFORMATION**

Built in 1948 and located within a National Register of Historic Places district, Briscoe School in Ashland was in continuous operation as a public elementary school until 2004. Since 2003, the school building has been leased to the non-profit Oregon Child Development Coalition (OCDC). The City of Ashland purchased the property in 2018 from Ashland Public Schools and continues to lease the building to OCDC.

The City has been engaged with the OCDC regarding a longer-term lease or acquisition of the property. The current lease allows for an additional two (2) 3-year extensions if notice is provided by OCDC 60-days prior to the expiration of the current term and subsequently approved by the City, reference section 1 of amendment #2. OCDC provided notice to the City of their intent to extend the lease on April 25<sup>th</sup> 2022. If approved the lease would extend from July 1<sup>st</sup>, 2022 to June 30<sup>th</sup>, 2025.

In addition, the City was recently awarded \$1.3 million in grant funding for facility improvements to the Briscoe School. This award was driven by State Representative Pam March, previous City Administration staff, and OCDC to support continued operations. A one-page fact sheet is attached for reference (#2). The funding request made by Representative Marsh was successful and House Bill 5202 authorizes the grant funding. Staff is still waiting to understand the implications of the grant funding with respect to next steps in moving forward with improvements.

In order to foster continued dialoged between the City and OCDC regarding the future of the property and to deliver the project improvements, staff believes a three-year extension of the current lease agreement with OCDC appropriate. Staff expects the project improvement phase to take 18-24 months once started and the lease extension would provide the ability to perform the improvements, coordinate with OCDC and the City Council on the future of the property and allow continued operations by OCDC.

## **FISCAL IMPACTS**

No changes in the current financial arrangement are associated with the extension of lease under the current terms. The City acquired the property from the school district in 2018 for \$2.04 million. The acquisition was funded by the City and the Ashland Parks and Recreation Commission (APRC).

APRC has agreed to pay \$500,000 towards the total purchase price and the remaining \$1,540,000 from the City General Fund. APRC payment schedule is for ten installment payments of \$50,000 and the City's schedule is for fourteen \$110,000 payments. The balance due the school district from the City as of July 1, 2021 was \$1,210,000.

The APRC investment in the property is for the former playground, which is intended to be partitioned from the school buildings through a future action and utilized as a City Park.

The current lease agreement requires OCDC to pay monthly rent that has a set increase of 1% per year of the agreement. The monthly rental rate for calendar year 2022 is \$13,404.

## **STAFF RECOMMENDATION**

Staff recommends approval of the three (3) year extension as allowed under the current lease agreement with no changes in any other terms.

## **ACTIONS, OPTIONS & POTENTIAL MOTIONS**

I move approval of a three (3) year lease extension as allowed by Section 1 of the current lease with the Oregon Childhood Development Coalition for the Briscoe Property.

## **REFERENCES & ATTACHMENTS**

Attachment #1: Lease Package Lease Amendment

Attachment #2: HB 5202 Grant One Page Information Sheet

Attachment #3: Amendment #3 to the Lease

**AMENDMENT NO. 2**  
to the  
**LEASE**  
between  
THE CITY OF ASHLAND, OREGON,  
a municipal corporation (hereinafter "City"),  
and  
OREGON CHILD DEVELOPMENT COALITION, INC.,  
an Oregon non-profit corporation (hereinafter "OCDC"),  
for the  
PROPERTY LOCATED AT 265 NORTH MAIN STREET,  
ASHLAND, OREGON  
(hereinafter the "Briscoe School Property")

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**RECITALS**

- A. The Ashland School District and OCDC previously entered into a five-year lease agreement on December 19, 2014, for the lease of the Briscoe School Property (hereinafter the "Lease"); and
- B. The Ashland School District sold the Briscoe School Property to the City pursuant to a Real Estate Purchase and Sale Agreement fully executed on March 29, 2018, and transferred all of its rights under the Lease to the City; and
- C. The City and OCDC previously amended the Lease on or about December 4, 2018, to increase the occupancy of the Briscoe School Property by OCDC and to extend the term of the Lease until December 31, 2021, along with other changes (hereinafter "Amendment No. 1"); and
- D. The City and OCDC wish to amend the terms of the Lease to extend its term for a period of six months.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual benefits and obligations set forth herein, Ashland and OCDC agree as follows:

- 1. Amend Section 1, TERM, POSSESSION, AND OPTION TO RENEW, of the Lease as follows with strikeout wording deleted and underscored wording added:

The City and OCDC hereby agree to extend the term of the Lease for a period of six (6) months until June 30, 2022. ~~The City and OCDC hereby agree to exercise the option to renew for two additional years, the new term of the lease is January 1, 2019, through December 31, 2021. The parties acknowledge that there is an error in these dates in the~~

~~original agreement.~~

Two (2) additional 3-year extensions of this Lease agreement will be available if agreed to by both parties in writing. OCDC will notify the City of its desire to exercise an extension at least sixty (60) ~~180~~ days prior to the expiration of this or any extension of ~~the~~ term. The City will respond to the request withing ten (10) business days of ~~or~~ receiving the required notice from OCDC.

2. Except as specifically modified by this Amendment No. 2, the terms and conditions of the Lease and Amendment No. 1 remain in full force and effect.
3. This Amendment No. 2 is effective December 31, 2021.

**IN WITNESS WHEREOF** the parties have caused this Amendment No. 2 to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

**CITY OF ASHLAND, OREGON**

**OREGON CHILD DEVELOPMENT  
COALITION, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Gary Milliman

Printed Name: \_\_\_\_\_

Title: City Manager Pro Tem

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## LEASE AMENDMENT

### Recitals

1. Ashland Public Schools and the Oregon Child Development Coalition are parties to a Lease dated December 19, 2014, for property located at 265 North Main Street, Ashland OR.
2. On June 19, 2018, Ashland Public Schools transferred all their rights and responsibilities under this agreement to the City of Ashland.
3. The City of Ashland(City) and the Oregon Child Development Coalition(OCDC) agree to amend the Lease as follows:

### Agreement

This amendment changes the current shared occupancy to full occupancy of the facility by OCDC. This includes all of the original school building, approximately 29,652 square feet, along with what is known as the Music Building Addition, approximately 2,080 square feet for a total of 31,732 square feet.

#### 1. TERM, POSSESSION AND OPTION TO RENEW

This section is replaced with the following language:

The City and OCDC hereby agree to exercise the option to renew for two additional years, the new term of the lease is January 1, 2019, through December 31, 2021. The parties acknowledge that there is an error in these dates in the original agreement.

Two additional 3-year extensions of this agreement will be available if agreed to by both parties in writing. OCDC will notify the City of its desire to exercise an extension at least 180 days prior to the expiration of this or any extension term. The City will respond to the request within 10 business days or receiving the required notice from OCDC.

#### 2. CONSIDERATION

The first paragraph and rent schedule of this section are replaced with the following language. The last paragraph remains.

As the sole tenant of the facility OCDC will be responsible for all utilities, including gas, electricity, water and sewer, and will pay for these utilities directly to the provider. The rent schedule below reflects a 1% increase each year over the base rent of \$12,500 per month from the original Lease.



January 1, 2019 through December 31, 2019	\$	13,010	Per Month
January 1, 2020 through December 31, 2020	\$	13,140	Per Month
January 1, 2021 through December 31, 2021	\$	13,272	Per Month

The rent will continue to increase by 1% for each year of any extension term of this agreement.

### 3. USE OF PROPERTY

The first 5 lines of Section 4 will be replaced with the following language:

OCDC will use the property for its stated mission of improving the lives of children and families by providing early childhood education, care and advocacy with unique and supportive services to enhance family growth and community success.

The balance of the section remains in place.

### 4. MAINTENANCE AND REPAIRS

The following language will be added to Section 11:

The parties acknowledge that this building has asbestos containing materials and the potential for lead-based paint. These materials are safe when maintained, encapsulated or abated under state and federal rules. City will be responsible for any maintenance, encapsulation or abatement required due to age, wear and tear or work allowed or required under this agreement.

### 5. ALTERATIONS AND IMPROVEMENTS

Section 14 Alterations and Improvements is deleted in its entirety and replaced with:

OCDC will have the right to make the improvements to the facility shown on EXHIBIT 'A' without further approval from the City. OCDC will be responsible for the cost and management of this work, including design, permits and construction. OCDC will not make any other alterations or improvements to the building without prior written consent of the City.

### 6. RIGHT OF ASSIGNMENT

"Except as described in Section 24 Subletting" will be added to the first sentence of Section 23.

### 7. SUBLETTING

Section 24 to be deleted and replaced with:

OCDC will have the right to sublet portions of the building to partners or groups that help OCDC in its mission of improving the lives of children and families by providing early childhood education, care and advocacy with unique and supportive services to

EXHIBIT 'A'

Kitchen

Hood & make-up air	\$	72,000.00
Electric Range	\$	7,000.00
Double door freezer	\$	8,000.00

Kitchen Total: \$ 87,000.00

Flooring - Classrooms, kitchen	\$	72,000.00
AC for new office area	\$	48,000.00
Telephones & wiring	\$	22,000.00
Access control & security	\$	17,000.00

Subtotal: \$ 159,000.00

**Grand Total: \$ 246,000.00**

enhance family growth and community success. OCDC will continue to be responsible for all its responsibilities under this agreement for any sublet space.

8. MASTER LEASE

Unless specifically modified or deleted in this Amendment, the terms and conditions of the Lease dated December 19, 2014, will remain in full force and effect.

9. AUTHORITY TO EXECUTE

The individuals executing this Amendment on behalf of the parties expressly warrant their authority to do so and that all necessary board resolutions have been obtained.

In WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year noted below.

CITY:

City of Ashland

\_\_\_\_\_  
Mark Welch

Director of Administrative Services

\_\_\_\_\_  
Date

OCDC:

Oregon Child Development Coalition

A not-for-profit Corporation

\_\_\_\_\_

Donalda Dodson

Executive Director

12/21/18  
Date



ENDS: 12-31-2019

## LEASE

This indenture of lease dated December 19, 2014, is made and entered into by and between Jackson County School District No. 5, hereinafter referred to as Lessor, and Oregon Child Development Coalition, Inc., a not-for-profit corporation, hereinafter referred to as Lessee, regarding property located in Ashland, Oregon.

### WITNESSETH:

The Lessor, for and in consideration of the rents, covenants, and agreements by the Lessee agreed to be paid, kept, and performed does hereby lease, demise, and let unto the Lessee approximately 33,980 square feet of space located at 265 North Main Street, Ashland Oregon, hereinafter called the Property.

#### 1. TERM, POSSESSION, AND OPTION TO RENEW

The term of the lease shall be five (5) years. Said term shall commence January 1, 2015 and end December 31, 2019 (the "Lease Term").

The parties agree to increase the rent each January 1 by 1%.

The amount of the rent increase shall be set forth in writing and delivered to the Lessee no later than thirty (30) days before the rent increase becomes effective.

If the parties to this Lease mutually agree, Lessee shall have the option to renew this lease for a period of two (2) years beginning January 1, 2019, and ending December 31, 2020, by notifying Lessor in writing at least ninety (90) days prior to the renewal date of Lessee's intent to renew. The basic rent will be renegotiated at that time.

#### 2. CONSIDERATION

The amount of rent for the first year of this Lease Term shall be as follows: Fourteen Thousand Five Hundred Dollars (\$14,500.) per month. Cost breakdown is \$12,500 for monthly rent, and \$2,000 to cover utilities, all considerations herein.

*Calendar  
years*

2016 Year 2: \$14,645 per month  
2017 Year 3: \$14,791 per month  
2018 Year 4: \$14,940 per month  
2019 Year 5: \$15,088 per month

Rent amounts are due and payable on the first day of each month and are considered late after the tenth day of the month. Amounts not paid when due shall bear interest at the rate of 1.5% per month until paid. Lessor may, at its option, impose a five percent (5%) late charge on payments made more than ten (10) days late in lieu of interest for the first month of delinquency, without waiving other remedies available for default.

### **3. TAXES**

Lessor shall pay only real property taxes in connection with the Property. Lessee shall pay personal property taxes charged in conjunction with occupancy of the Property.

The parties expressly agree that rent is calculated to reflect the savings resulting from Lessee's successful application for exemption from real property taxation pursuant to the requirements of Oregon law. If the Lessee fails to secure such tax exemption for any tax year during the Lease Term, Lessee shall pay an amount equal to the annual real property taxes assessed against the Property for such tax year as additional rent on or before November 1 of such tax year.

### **4. USE OF PROPERTY**

Lessee shall use the premises during the Lease Term for the conduct of the following business:

The parties agree that Lessee shall occupy and use the Property as migrant Head Start facilities and other uses related to the care of children approved by federal, state, and local regulations. This is the only use of the subject property authorized without written approval by Lessor.

Lessee's use of the Property shall not violate any applicable governmental ordinance, rule, regulation, or law. These include, without limitation, all laws, regulations, and ordinances pertaining to air and water quality, Hazardous Materials as herein defined, waste disposal, air emissions, and other environmental matters. As used herein, Hazardous Material means any hazardous or toxic substance, material, or waste, including but not limited to those substances, materials, and waste listed in the U.S. Department of Transportation Hazardous Materials Table, or by the U.S. Environmental Protection Agency as hazardous substances and amendments thereto, petroleum products, or such other substances, materials, and waste that are or become regulated under any applicable, local, state, or federal law. Lessee shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the premises by Lessee, its agents, employees, contractors, or invitees without prior written consent of Lessor, which consent will not be unreasonably withheld.

Lessor is not aware of any environmental contamination on the Property. Lessor agrees to indemnify Lessee for any claims made against Lessee because of environmental contamination to the Property existing prior to occupancy of the premises by Lessee.

Lessee shall not conduct its activities in such a way as to increase any insurance premium, whether property or liability, on the Property or which may make or void or voidable any policy or policies of insurance on the Property.

Lessee shall regularly occupy and use the Property for the conduct of Lessee's business, and shall not abandon or vacate the Property for more than ten (10) days without written approval of Lessor.

### **5. PARKING AND DRIVEWAY FACILITIES**

Lessee shall have the right for itself, its agents, employees, customers, and licensees, to use not only the parking areas available for parking, but also the driveways for access to the public highways adjacent to the premises owned by Lessor. Lessee agrees, however, that it will not permit its agents, employees,



customers, and licensees to abuse such parking privileges and further agrees that the parking privileges will be shared with the other tenants of said property owned by Lessor in a harmonious and cooperative manner.

**6. PLAYGROUND**

Lessee may also use the playground located on the northwest corner of the premises bordering Manzanita Street. Lessee agrees that the playground facilities will be shared with the other tenants of said property owned by Lessor and the general community in a harmonious and cooperative manner. Lessee shall promptly notify Lessor of any structural repairs that need to be made to the playground equipment.

Lessee may in the future, as funding becomes available, develop an age appropriate play area in the northeast corner of the open field, closer to the classroom building. Total cost and expense for this improvement will be borne by the lessee. Lessor will have final approval of the project design and location prior to any construction.

Lessee is responsible for all supervision of its students at the playground and shall indemnify Lessor against all claims or injury that may arise therefrom, including all costs of defense.

**7. DEFAULT**

This Lease shall be in default with regards to payment of rent or other obligations under Paragraph 2, above, ten (10) days after written notice from Lessor of non-payments. For maintenance or other obligations under this Lease, the Lessee will be in default thirty (30) days after written notice from the Lessor stating the manner in which Lessee is in noncompliance. If the default cannot be cured within thirty (30) days, Lessee will pursue curative action with reasonable diligence, and provide Lessor with written notice of its intent and plan to cure such default. If Lessee fails to cure said default, Lessor may elect to pursue any one or more of the following remedies, or any other remedy available under applicable law:

- A. Terminate this Lease by notice to Lessee
- B. Recover damages caused by Lessee's default.
- C. Take possession of the Property in the manner provided by law until default is cured or Lease is terminated.
- D. Make any payment or take other action necessary to cure the default and collect the costs thereof from Lessee.

It is expressly understood that the rights herein provided shall be deemed cumulative and nonexclusive, and that the Lessor may exercise any other right or remedy which the Lessor may have at law or in equity under the statutes and laws of the State of Oregon.

**8. PEACEFUL ENJOYMENT**

Lessor covenants and agrees that, in the event the Lessee performs all of the covenants and conditions contained herein, the Lessee may peacefully hold and enjoy the Property during the term of this Lease without any interruption by Lessor or any person lawfully claiming by, through, or under Lessor.

**9. WASTE AND NUISANCE PROHIBITED**

Lessee shall not commit, or suffer to be committed, any waste or nuisance on or about the Property.

**10. RIGHT OF ENTRY**

Lessee shall permit Lessor, its agents, and employees to enter upon the Property with reasonable notice and at all reasonable times for the purpose of inspecting the same without any liability to Lessee for any resulting loss of occupation or quiet enjoyment of the Property.

**11. MAINTENANCE AND REPAIRS**

Lessor warrants that the mechanical, electrical, and plumbing systems for the Property are in good and operational condition at the time of this Lease. It is the responsibility of the Lessor to provide regular preventative maintenance to the boiler and mechanical systems including, but not limited to, seasonal maintenance, and filter changes to the heating and air conditioning systems. Lessor will be responsible for major repairs or replacement of these systems when required because of normal wear and tear, equipment age, or conditions beyond the control of the Lessee.

Lessor will be responsible for all maintenance for the exterior of the building, including, but not limited to, maintenance and repair of structure, foundation, exterior walls, roof, gutters and downspouts, the abutting sidewalks, and parking areas that are located in or serve the Property. The Lessor reserves and shall have the right to alter, repair, or improve the Property, or to add thereto, and for that purpose at any time may erect scaffolding and all other necessary structures about and upon the premises. The Lessor's representatives, contractors, and workers for that purpose may enter in or about the premises with such materials as Lessor may deem necessary therefore, and Lessee waives any claim to damages, including loss of use resulting therefrom.

Subject to the foregoing, Lessee hereby agrees to maintain and repair the interior surfaces of the building, including all interior and exterior walls and doors, heating ventilating, and cooling systems, interior wiring, plumbing and drain pipes to sewer or septic tank, in good order and which may be broken or damaged during the term hereof in the windows and doors of the premises with glass of as good or better quality as that now in use. Copies of work orders for services contracted by Lessee pertaining to maintenance of the plumbing and electrical systems will be sent to the Lessor.

Notwithstanding the foregoing, Lessee will be responsible for the repair and/or replacement of items made necessary by the acts or omissions of Lessee or its agents, employees and program participants.

At all times Lessee shall keep the sidewalk in front of the Property free and clear of ice, snow, rubbish, debris, and obstruction. If the Lessee occupies the entire building, the Lessee will not permit rubbish, debris, ice, or snow to accumulate on the roof of the building so as to obstruct gutters or downspouts or cause damage to the roof, and will save harmless and protect the Lessor against any injury whether to Lessor or to Lessor's property or to any other person or property caused by Lessee's failure in that regard.



The Lessee will not overload the floors of the premises in such a way as to cause any undue or serious stress or strain upon the building or any part thereof. The Lessor shall have the right, at any time, to call upon any competent engineer or architect whom the Lessor may choose, to decide whether or not the floors of the premises, or any part thereof, are being overloaded so as to cause any undue or serious stress or strain on the building, or any part there. The decision of the engineer or architect shall be final and binding upon the Lessee. In the event that it is the opinion of the engineer or architect that the stress or strain is such as to endanger or injure the building, or any part thereof, then and in that event the Lessee agrees to immediately relieve the stress or strain, in a manner satisfactory to the Lessor.

If the maintenance required under this Lease is not adequately performed by Lessee and does not comply with Lessor's standards, Lessor shall provide written notice to Lessee, as provided in paragraph 8 herein. If Lessee fails to comply Lessor shall have the right to perform and/or remedy such deficiencies, and any costs incurred in curing said deficiencies shall be reimbursed by Lessee to Lessor.

## **12. SERVICES AND UTILITIES**

In addition to the base monthly rent, the annual cost for all utilities, excluding water for the playground, is the responsibility of the Lessee. Utilities include, but are not limited to, water, irrigation water for the front area, sewer, street utility fees, storm water fees, electricity, gas, telephone garbage removal, and internet service.

Charges for other services listed below will be paid by the Lessee

- Custodial Service
- Custodial Supplies
- Window Washing
- Snow and Ice Removal
- Building Security

## **13. FIXTURES/LEASEHOLD IMPROVEMENTS**

All partitions, plumbing, electrical wiring, additions to or improvements in or upon the Property, whether installed by the Lessor or Lessee, shall be and become a part of the building in which the premises are located as soon as installed and the property of the Lessor unless otherwise herein provided.

## **14. ALTERATIONS AND IMPROVEMENTS**

Lessee will not make any alterations or improvements to the Property without the prior written consent of the Lessor.

## **15. INSURANCE**

- A. At all times during the term hereof, the Lessee will, at the Lessee's own expense, keep in effect and deliver to the Lessor liability insurance policies in form and with and insurer acceptable to the Lessor. Such policies shall insure both the Lessor and the Lessee against all liability for damage to



persons or property in, upon, or about the Property. The amount of such insurance shall not be less than \$1,000,000 for injury to one person, not less than \$1,000,000 for injuries to all persons arising out of any single incident, and not less than \$1,000,000 for damage to property, or a combined single limit of not less than \$1,000,000.

- B. Lessee shall furnish a certificate evidencing such insurance that shall state that the coverage shall not be cancelled or materially changed without ten (10) days notice to Lessor. A renewal certificate shall be furnished at least ten (10) days prior to the expiration of any policy.
- C. It shall be the responsibility of Lessor to purchase casualty insurance with extended coverage so as to insure any structure on the Property against damage caused by fire or the effects of fire (smoke, heat, means of extinguishment, etc.), or any other means of loss.
- D. It shall be the responsibility of the Lessee to insure all of the Lessee's belongings upon the Property, of whatsoever nature, against the same.
- E. Lessee agrees to and shall indemnify and hold Lessor harmless against any and all claims and demands arising from the negligence of the Lessee, Lessee's officers, agents, program participants, invitees, and/or employees, as well as those arising from Lessee's failure to comply with any covenant of this Lease on Lessee's part to be performed, and shall at Lessee's own expense defend the Lessor against any and all suits or actions arising out of such negligence, actual or alleged, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against Lessor in any such suit or action.

#### **16. WAIVER OF SUBROGATION**

Neither the Lessor nor the Lessee shall be liable to the other for loss arising out of damage to or destruction of the Property, or the buildings or improvements of which the Property are a part of with which they are connected, or the contents of any thereof, when such loss is caused by any of the perils which are or could be included within, or insured against by, a standard form of fire insurance with extended coverage, including sprinkler leakage insurance, if any. All such claims for any and all loss, however caused, hereby are waived. Such absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either Lessor or Lessee or by any of their respective agents, servants, or employees. It is the intention and agreement of the Lessor and the Lessee that the rentals reserved by this Lease have been fixed in contemplation that both parties shall fully provide their own insurance protection at their own expense, and that both parties shall look to their own insurance protection at their own expense, and that both parties shall look to their respective insurance carriers for reimbursement of any such loss. Further, the insurance carriers involved shall not be entitled to subrogation under any circumstances against any party to this Lease. Neither the Lessor nor the Lessee shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless specifically covered therein as a joint assured.

**17. TIME OF ESSENCE**

Time is of the essence in the execution of all the terms and conditions of this Lease.

**18. WAIVER**

No waiver of any right arising out of a breach of any covenant, term, or condition of this Lease shall operate as a waiver of any right arising out of any other or subsequent breach of the same or any other covenant, term, or condition or a waiver of the covenant, term, or condition itself.

**19. COVENANT AGAINST ENCUMBRANCES**

Lessee agrees not to allow any liens or encumbrances to attach to the Property or any interest therein, as a result of any action or omission of Lessee. In the event such a lien or encumbrance does attach, Lessee agrees to promptly discharge said lien or encumbrance. Lessee may encumber the structures and/or other improvements placed upon the property by Lessee in accordance with this lease.

**20. NOTICES**

Notices shall be sent to Lessor at: Ashland School District 5  
885 Siskiyou Boulevard  
Ashland, Oregon 97520  
Attn: Business Manager

To Lessee at: Oregon Child Development Coalition  
PO Box 2780  
Wilsonville, OR 97070  
Attn: Senior Facilities Manager

**21. INTERPRETATION**

The covenants, terms, and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the personal representatives, heirs, successors, and assigns of the parties hereto; provided, however, that nothing contained in this paragraph shall alter the restrictions contained herein relating to assignments. The terms and conditions of this Lease shall be interpreted by, and be subject to, the laws, regulations, and statutes of the State of Oregon.

**22. RIGHT TO LEASE**

Lessor warrants that it has the right to lease the Property to the Lessee.

**23. RIGHT OF ASSIGNMENT**

The Lessee will not assign, transfer, pledge, hypothecate, surrender, or dispose of this Lease, or any interest herein, sublet, or permit any other person or persons whomsoever to occupy the Property without the written consent of the Lessor.

This Lease is personal to Lessee, and its interests, in whole or in part, cannot be sold, assigned, transferred, seized, or taken by operation at law, or under or by virtue of any execution or legal process,

attachment, or proceedings instituted against the Lessee, under or by virtue of any bankruptcy or insolvency proceedings had in regard to the Lessee, or in any other manner.

**24. SUBLETTING**

Lessee shall not have the right to sublet the Property, improvements, or any portion thereof, without obtaining the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

**25. HOLDING OVER**

Upon the expiration of this Lease agreement, and upon obtaining the written approval of the Lessor, any holding over by the Lessee after the expiration of the term of this lease agreement or any extension thereof, shall be as a tenancy from month to month and not otherwise. The terms and conditions of the month to month tenancy will be the same as the original lease agreement. Such holding over under the terms of this Lease shall not be deemed a renewal thereof.

**26. OBLIGATION OR CONDITION OF SIGN INSTALLATION**

The Lessee shall not affix, erect, inscribe, or otherwise install signs, projections, awnings, signals, or advertisements of any kind to any part of the Property without the written consent of the Lessor. Said consent shall not be unreasonably withheld.

**27. DESTRUCTION/CONDEMNATION/EMINENT DOMAIN**

A. In the event of the destruction of the leased premises on the Property by fire or other casualty, either party hereto may terminate this Lease as of the date of fire or casualty; provided, however, that in the event of damage to the improvements by fire or other casualty to the extent of 40% or more of their replacement costs:

(1) Lessor may elect to terminate the Lease as of the date of the damage or destruction by written notice given to the other party not more than forty-five (45) days following the date of damage. In such event, Lessee, if not in default under the Lease, shall be entitled to the reimbursement of any prepaid rent, or the amounts paid by the Lessee and attributable to the anticipated term subsequent to the termination date. If Lessee is in default under the Lease, such amounts will be applied against any amount owing Lessor under the terms of the Lease and the excess, if any, shall be paid to Lessee. Disposition of improvements shall be handled in accordance with paragraph 14, above.

(2) In the absence of an election under paragraph 28.A(1), above, or if the damage is less than 40% of the replacement value, Lessee shall proceed to restore the Property to substantially the same form as prior to the damage or destruction.

B. If a portion of the Property is condemned and paragraph 28.A does not apply, the Lease shall continue on the following terms:



(1) Lessor shall be entitled to all of the proceeds of condemnation attributed to the value of the Property only. Lessee shall have no claim against Lessor as a result of the condemnation.

- C. If a condemning authority takes all of the Property or a portion sufficient to render the remaining Property reasonably unsuitable for the use which Lessee was then making of the Property, the Lease shall terminate as of the date the title vests in the condemning authority. Such termination shall have the same effect as a termination under paragraph 28.A(1), above.

In the case of condemnation or purchase of all or any substantial part of the premises by any public or private corporation with the power of condemnation, Lessee shall not be liable for any rent after the termination date. Lessee shall not be entitled to and hereby expressly waives any right to any part of the condemnation award or purchase price.

- D. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section as a taking by condemnation.

## **28. TERMINATION AND DELIVERY OF PROPERTY ON TERMINATION**

This Lease may be terminated by either party if the other party fails to comply with the provisions of this Lease and, after receipt of written notice, fails to correct such failures within thirty (30) days. Lessee may terminate this Lease within the first ninety (90) days of occupancy by notice in writing to Lessor if a governmental or licensing agency places restrictions or demands on the use of the space that are beyond the Lessee's ability to perform, either logistically or financially. Lessee will provide Lessor with the written restrictions or demands of such agency with Lessee's notice of termination of Lease.

At the expiration of the Lease Term or upon any sooner termination thereof, the Lessee will quit and deliver up the Property and all future erections or additions to or upon the same, broom- clean, to the Lessor or those having Lessor's estate in the premises, peaceably, quietly, and in as good order and condition, reasonable use and wear thereof, damage by fire, unavoidable casualty and the elements alone excepted, as the same are now in or hereafter may be put in by the Lessor.

Any property which Lessee leaves on the premises after abandonment or expiration of the Lease, or for more than ten (10) days after any termination of the Lease by Lessor, shall be deemed to have been abandoned, and Lessor may remove and sell property at public or private sale as Lessor sees fit, without being liable for any prosecution therefore or for damages by reason thereof, and the net proceeds of any such sale shall be applied toward the expenses of Lessor and rent aforesaid, and the balance of such amounts, if any, shall be held for and paid to the Lessee.

## **29. ATTORNEY FEES AND COURT COSTS**

In case suit or action is instituted to enforce compliance with any of the terms, covenants, or conditions of this Lease or to collect the rental which may become due hereunder, or any portion thereof, the losing party agrees to pay the prevailing party's reasonable attorney fees incurred throughout such proceeding, including at trial, on appeal, and for post-judgment collection.

Should the Lessee be or become the debtor in any bankruptcy proceeding, voluntarily, involuntarily, or otherwise, either during the period this Lease is in effect or while there exists any outstanding obligation of the Lessee created by this Lease in favor of the Lessor, the Lessee agrees to pay the Lessor's reasonable attorney's fees and costs which the Lessor may incur as the result of Lessor's participation in such bankruptcy proceedings. It is understood and agreed by both parties that applicable federal bankruptcy law or rules of procedure may affect, alter, reduce, or nullify the attorney fee and cost awards mentioned in the preceding sentence.

**30. HEIRS AND ASSIGNS**

All rights, remedies, and liabilities herein given to, or imposed upon, either of the parties hereto shall extend to, inure to the benefit of, and bind, as the circumstances may require, the heirs, successors, personal representatives, and so far as this Lease is assignable by the terms hereof, to the assigns of such parties.

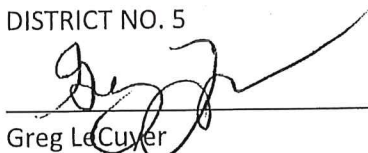
In construing this Lease, it is understood that the Lessor or the Lessee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed, and implied to make the provisions hereof apply equally to corporations and to individuals.

**31. AUTHORITY TO EXECUTE**

The individual executing this Lease on behalf of the parties expressly warrant their authority to do so and that all necessary board resolutions have been obtained.


IN WITNESS WHEREOF, the parties hereto have executed this Lease on the day and year first hereinabove written.

LESSOR:  
JACKSON COUNTY SCHOOL  
DISTRICT NO. 5

  
\_\_\_\_\_  
Greg LeCuyer

Date: 12-29-14

LESSEE:  
OREGON CHILD DEVELOPMENT COALITION  
a not-for-profit Corporation

  
\_\_\_\_\_  
Donalda Dodson, Executive Director

Date: 12/18/14



# BRISCOE SCHOOL REHABILITATION PROJECT

Built in 1948 and located within a National Register of Historic Places district, Briscoe School in Ashland was in continuous operation as a public elementary school until 2004. Since 2003, the school building has been leased to the non-profit Oregon Child Development Coalition (OCDC). The City of Ashland purchased the property in 2018 from Ashland Public Schools and continues to lease the building to OCDC.

**The City is now considering selling the 36,000 square-foot building and the 3.79-acre property upon which it is located to OCDC, while retaining the playground area as a public park.**

OCDC is a nonprofit established in 1971. Migrant farmworker children's needs for care during the day become incredibly difficult during Oregon's peak agricultural months. Originally incorporated under the name The Migrant Indian Coalition, the mission of the organization was to ensure access to early childhood care and education opportunities for Oregon's migrant farm workers. OCDC has evolved into one of the largest early childhood care and education service providers in Oregon and is the state's sixth largest nonprofit. Each year the OCDC serves over 4,000 children and families in need in 12 Oregon counties.



**Briscoe School would continue to be used for its current purpose by OCDC. Currently serving 266 children, programs offered at the Briscoe School include:**

- **Migrant and Seasonal Head Start** - Comprehensive child development services to economically disadvantage children of families that work in agriculture.
- **Pre- Kindergarten** - Serves 3–5- year- old children from low- income families helping prepare young children for school.
- **Oregon Pre- Kindergarten Prenatal to Three** - Serves newborn to three- year- old children from low- income families develop skills they need to be successful in school.

**Repairs & upgrades are necessary for OCDC to obtain financing and complete the purchase. Estimated funding for repair includes:**

Roof Replacement	\$350,000
Floor Replacement	\$250,000
Asbestos abatement	\$200,000
Replace HVAC system	\$250,000 (*under review)

**TOTAL FUNDING NEEDED:  
\$1,050,000- \$1,300,000**

**For information: Representative Pam Marsh - [Rep.PamMarsh@oregonlegislature.gov](mailto:Rep.PamMarsh@oregonlegislature.gov)  
or Ashland City Manager Pro Tem Gary Milliman – [gary.milliman@ashland.or.us](mailto:gary.milliman@ashland.or.us).**

**AMENDMENT NO. 3**  
to the  
**LEASE**  
between  
THE CITY OF ASHLAND, OREGON,  
a municipal corporation (hereinafter “City”),  
and  
OREGON CHILD DEVELOPMENT COALITION, INC.,  
an Oregon non-profit corporation (hereinafter “OCDC”),  
for the  
PROPERTY LOCATED AT 265 NORTH MAIN STREET,  
ASHLAND, OREGON  
(hereinafter the “Briscoe School Property”)

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**RECITALS**

- A. The Ashland School District and OCDC previously entered into a five-year lease agreement on December 19, 2014, for the lease of the Briscoe School Property (hereinafter the “Lease”); and
- B. The Ashland School District sold the Briscoe School Property to the City pursuant to a Real Estate Purchase and Sale Agreement fully executed on March 29, 2018, and transferred all of its rights under the Lease to the City; and
- C. The City and OCDC previously amended the Lease on or about December 4, 2018, to increase the occupancy of the Briscoe School Property by OCDC and to extend the term of the Lease until December 31, 2021, along with other changes (hereinafter “Amendment No. 1”); and
- D. The City and OCDC amended the Lease again on or about December 31, 2021, to extend the term of the Lease until June 30, 2022 (hereinafter “Amendment No. 2”); and
- E. The City and OCDC wish to again amend the Lease to extend its term for a period of three (3) additional years.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual benefits and obligations set forth herein, Ashland and OCDC agree as follows:

- 1. Amend Section 1, TERM, POSSESSION, AND OPTION TO RENEW, of the Lease as follows with strikeout wording deleted and underscored wording added:

The City and OCDC hereby agree to extend the term of the Lease for a period of three (3)

years until June 30, 2025. ~~six (6) months until June 30, 2022.~~

One (1) ~~Two (2)~~ additional 3-year extensions of this Lease will be available if agreed to by both parties in writing. OCDC will notify the City of its desire to exercise an extension at least sixty (60) days prior to the expiration of this or any extension of the term. The City will respond to the request withing ten (10) business days of receiving the required notice from OCDC.

2. Except as specifically modified by this Amendment No. 3, the terms and conditions of the Lease, Amendment No. 1, and Amendment No. 2 remain in full force and effect.
3. This Amendment No. 3 is effective June 30, 2022.

**IN WITNESS WHEREOF** the parties have caused this Amendment No. 3 to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

**CITY OF ASHLAND, OREGON**

**OREGON CHILD DEVELOPMENT  
COALITION, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Joseph L. Lessard

Printed Name: \_\_\_\_\_

Title: City Manager

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_