

**Date:** September 25, 2024

**To:** Board of Directors

**From:** Sam Desue, Jr.

**Subject:** **RESOLUTION NO. 24-09-52 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A LEASE WITH THE ROUND OWNER, LLC, FOR A TRIMET SECURITY OFFICE AT 4145 SW WATSON AVENUE IN BEAVERTON**

**1. Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a lease with The Round Owner, LLC, for a security office at 4145 SW Watson Avenue in Beaverton (Lease).

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other: Lease

**3. Type of Contract Procurement**

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP)
- Request for Qualifications (RFQ)
- Other (inc. sole source): Competitive real estate selection process led by broker

**4. Reason for Board Action**

Board approval is required for leases obligating TriMet to pay in excess of \$1,000,000.

**5. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**6. Background**

In order to improve the customer experience, safety, and security on its transit system, TriMet has significantly increased the number of unarmed security personnel posted at all facilities over the last several years, deploying them to ride and patrol its buses and trains. These security personnel provide a system wide, high visibility presence that includes conducting outreach and providing social services referrals. TriMet’s Customer Safety Supervisor (CSS) employees also provide code enforcement and issue citations as needed.

Through contracts with Allied Universal and Portland Patrol, Inc., as well as TriMet's own CSS employees, TriMet now utilizes over 430 security professionals throughout the system. This is a significant increase over the last two years, and TriMet anticipates the number will continue to grow.

Currently, all security personnel report to and deploy from TriMet operational facilities such as Ruby Junction, Elmonica, and Center Street. However, all of TriMet's operational facilities are at capacity, and space now used by security personnel is needed for operational and administrative staff. Furthermore, some of the activities that need to be performed by security personnel, such as self-defense training, do not lend themselves to being conducted in an administrative office environment.

Therefore, TriMet plans to lease three security offices throughout the service district: one in Beaverton, one in central Portland, and one in Gresham. In order to increase efficiency and speed up personnel deployment, these office locations need to be located next to a light rail line. The offices will provide centrally located facilities to which staff will report before, during and after their shifts to receive directions from supervisors, write reports, and perform other administrative functions. The offices will provide space where the Security department may maintain a management/supervisory footprint, and conduct educational and training exercises, including self-defense training.

TriMet engaged Cushman and Wakefield (C&W) to help with the search for these three security office locations. C&W found three potential locations in Beaverton. After review, TriMet staff determined that two of them were located too far from a light rail line to provide the necessary efficiency for the intended uses. However, the 4145 SW Watson Avenue site is located directly on the MAX Blue and Red light rail lines and fits TriMet's needs well. C&W continues to search for suitable central Portland and Gresham locations.

The general terms of the 4145 SW Watson Avenue Lease are as follows:

- Lease Term: 65 months (five years, five months)
- Leased Space: Approximately 6,700 square feet
- Free Rent: 5 months at the beginning of the term (approximate value of \$89,305)
- Rental Rate: \$32/square foot (includes estimated operating expenses)
- Landlord Contribution to Tenant Improvements: \$435,370
- TriMet share of Tenant Improvements: Approximately \$550,000
- Total Rent Obligation: Approximately \$1,181,540

Board approval for this Lease is requested so that the Parties may finalize all terms, execute the Lease, and allow building management to start construction at the new TriMet leased space as soon as possible. Staff estimates that finalizing Lease terms and designing and constructing the new space will be completed in the first quarter of 2025.

## **7. Financial/Budget Impact**

The total cost of the Lease at 4145 SW Watson Avenue is expected to be approximately \$1,181,540 in rent over the 65-month term, plus approximately \$550,000 for TriMet's share of the tenant improvement costs. A portion of this amount is included within TriMet's FY2025 budget. Going forward, the annual payments for the Lease will be included in TriMet's zero-based budget for leased facilities, over the approximately five and one-half year Lease term.

**8. Impact if Not Approved**

If the Board does not approve the Lease, TriMet could continue to look for an alternate location in Beaverton and would need to continue operating from TriMet's current facilities. That option is not desirable for the reasons discussed above.

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TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A  
LEASE WITH THE ROUND OWNER, LLC, FOR A TRIMET SECURITY  
OFFICE AT 4145 SW WATSON AVENUE IN BEAVERTON**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a lease with The Round Owner, LLC, for a security office at 4145 SW Watson Avenue in Beaverton (Lease); and

**WHEREAS**, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors adopted a Statement of Policies requiring it to approve real estate transactions obligating TriMet to pay in excess of \$1,000,000; and

**WHEREAS**, the total amount of the Lease exceeds \$1,000,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Lease shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Lease in the total amount of approximately \$1,181,540, through the May 31, 2030 expiration date of the Lease.
3. That the General Manager or his designee is authorized to proceed with tenant improvements in the approximate amount of \$550,000 for the leased premises at 4145 SW Watson Avenue.

Dated: September 25, 2024

  
Presiding Officer

Attest:

  
Recording Secretary

Approved as to Legal Sufficiency:

  
Legal Department