

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Bryant Enge		2. Telephone No. 503.823.6962	3. Bureau/Office/Dept. OMf/Bureau of Internal Business Services
4a. To be filed (date): May 9 th , 2013	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: May 9 th , 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Reaffirming the City's Interest to Maximize Investment in City-Owned Facilities and Directing Office of Management and Finance to Fully Implement ADM 13.01. (Resolution)

2) Purpose of the Proposed Legislation:

This resolution will reaffirm the City's interest to maximize its investment in City-owned facilities and direct the Office of Management and Finance to fully implement ADM 13.01.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input checked="" type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT**4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

No.

5) Expense: What are the costs to the City related to this legislation? What is the source of

funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)*

None.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

This resolution is related to internal City administrative rules and doesn't impact the public.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.


BUREAU DIRECTOR (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Jack D. Graham, Chief Administrative Officer

Bryant Enge, Director
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DATE: May 9, 2013

TO: Mayor Charlie Hales

FROM: Bryant Enge, Director

**FOR MAYOR'S OFFICE USE
ONLY**

Reviewed by Bureau Liaison

RE: Reaffirming the City's Interest to Maximize Investment in City-Owned Facilities and Directing Office of Management and Finance to Fully Implement ADM 13.01. (Resolution)

1. INTENDED THURSDAY FILING DATE: May 9, 2013
2. REQUESTED COUNCIL AGENDA DATE: May 22, 2013
3. CONTACT NAME & NUMBER: Bryant Enge 3.6962
4. PLACE ON: ☐ CONSENT ☐ REGULAR
5. BUDGET IMPACT STATEMENT ATTACHED: ☐ Y ☐ N ☒ X ☐ N/A
6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY
ATTACHED: ☐ Yes ☐ No ☒ X ☐ N/A

7. BACKGROUND/ANALYSIS

In order to maximize the City's use of office space, maintain optimal capacity in City-owned buildings, minimize costs to the City for these facilities, and adhere to current City policy, OMF's Bureau of Internal Business Services (BIBS) is asking for Council's support in reaffirming the City's interest to maximize investment in City-owned facilities.

The City of Portland houses approximately 2,100 City employees in office spaces. Currently, the City leases approximately 99,000 square feet of office space, and has approximately 48,000 square feet of vacant space in City-owned properties.

Under the current space use configuration, by 2016 the City will spend an estimated \$2.3 million annually on a little over 99,000 square feet of leased office space. The leased space continues to increase in cost, and market projections suggest a continued rising trend.

Historic information shows that the best way to control the City's space cost is through full occupancy in the buildings the City owns. The City owns approximately 631,000 square feet of office space, which is 95% occupied; resulting in vacant space exceeding 48,000 square feet, at an annual cost of approximately \$778,000.

Vacant space reduces Major Maintenance reserve funds, which are already significantly lower than the three percent target rate needed to maintain the City's building assets. When space in City-owned buildings is vacant, the cost for the vacant space is taken out of the Major Maintenance fund. When space is occupied, part of the space "rent" is added to the Major Maintenance fund. Therefore, it is critical to have all City-owned space occupied.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

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Policies already exist that govern the City's use of owned and leased office space:

Binding City Policy ADM 13.01, adopted by Council in 2005, states that City bureaus shall locate operations in City owned or controlled facilities when these facilities reasonably meet the business needs of the bureau, and directs the City's Chief Administrative Officer (CAO) not to approve or renew new leases or existing leases, unless approved by City Council;

Binding City Policy ART 3.01, adopted by City Council in October 2004, prioritizes the location of City Business office space; if there is not any space available in City-owned buildings, the bureaus may look elsewhere.

Leases in non-City spaces are set to expire in the next two month to three year. Planning for the lease expirations is critical, so this is the optimal time to look at how the City uses its space. If the City plans these moves as each lease expires, then the costs associated with terminating a lease will be avoided.

In reaffirming the Council's desires to maximize its investment in City-owned facilities and the City's policy to have City offices located in City-owned property, the Office of Management and Finance (OMF) recommends that the Bureau of Internal Business Services:

Work with bureaus to bring all City operations into City-owned facilities in accordance with City policy, ADM 13.01 and ART 3.01;

Work with bureaus to determine space needs and implement office space standards;

Expand the portfolio of City-owned spaces as necessary in order to relocate City operations from lease spaces to City-owned space.

BIBS is developing City-wide space standards that will incorporate new strategies to address workplace space needs. Currently, there are no adopted City-wide standards for space use. The average space use per employee is 210 square feet, however workspaces throughout the City vary widely. BIBS will work with bureaus to determine space needs and develop space standards.

8. FINANCIAL IMPACT

N/A

9. RECOMMENDATION/ACTION REQUESTED

Reaffirm the policy guidance set forth in ADM 13.01 and ART 3.01 and direct the Bureau of Internal Business Services and City Bureaus to work together to bring City operations back into City-owned facilities.