

IMPACT STATEMENT

Legislation title:

* Authorize a two-year lease agreement for office space in the downtown core to accommodate program management and support services for the Portland Water Bureau's Bull Run Filtration project not to exceed budgeted lease cost of \$269,000 (Ordinance)

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Purpose of proposed legislation and background information:

In August 2017, Portland City Council voted to build a water filtration treatment facility to meet U.S. Environmental Protection Agency (EPA) treatment requirements for the pathogen *Cryptosporidium*. The goal of the Portland Water Bureau's ("PWB") Bull Run Filtration Project ("Project") is to design and construct the water filtration treatment facility.

To accommodate program management and support services for the Project, PWB desires to lease office space in the downtown core. The project team will consist of PWB staff members and consultants working to plan and design the Project. The co-location of the project team in the office space will facilitate completing the Project on time and on budget by fostering enhanced communications, creating better and closer working relationships, and improving productivity. PWB has identified a couple of properties that meet the Project's requirement. The Office of Management & Finance's ("OMF") property management team will do its due diligence to ensure that the lease provisions are reviewed and are consistent with commercial standards.

Financial and budgetary impacts:

This legislation will authorize PWB to utilize up to \$269,000 budgeted for use for a two-year office space agreement. Funding for PWB project (W02229) has been requested as part of the FY 2018-19 budget and will be requested in the FY 2019-20 and FY 2020-21 budgets. The total estimated project cost is estimated to be up to \$500 million. Approximately \$5.6 million has been requested for FY 2018-19, \$6.5 million for FY 2019-20, and \$21.1 million for FY 2020-21. Current project confidence is low. This action will not result in a change to the forecast water rates. This legislation does not impact any current or future staffing levels.

Community impacts and community involvement:

The City shares the community's values regarding the need to consider cost in planning, design and construction of the Project. Co-location of the project team in a project office will result in improved productivity which will facilitate completing the Project on budget.

No other community impacts or involvement have been identified.

