

ORDINANCE No. 189725

Authorize a lease extension with 2020 Portland Owner, LLC, for office space at Jacobs Center 2020 SW 4TH Ave, expiring October 31, 2022 and October 31, 2024, at an average annual estimated cost of \$1.3 million (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Development Services ("BDS") expects demand for services to remain high and requires space sufficient to maintain existing staffing levels. BDS' current main location at 1900 SW Fourth Avenue, Portland, Oregon, commonly known as the 1900 Building, is a City co-owned property with Portland State University and is at full capacity.
2. In 2016 and 2018, Ordinances NO. 187873 and 188793, respectively, authorized BDS to lease approximately 19,641 square feet from 2020 Portland Owner, LLC, on the 1st and 6th floors at 2020 SW Fourth Avenue, commonly known as the Jacobs Center ("the Center"). The lease for these two spaces expires on October 31, 2022.
3. In 2017, Ordinance NO. 188218 authorized BDS to sub-lease approximately 18,652 square feet from Premera Blue Cross on the 10th floor at the Center.
4. After the sub-lease expires on April 30, 2020, BDS wishes to remain in the 10th floor space under an amendment to the existing 1st & 6th floor lease with 2020 Portland Owner, LLC, commencing May 1, 2020 thru October 31, 2022. The amendment to add the 10th floor space also extends the term for the 1st floor space to October 31, 2024. The total leased space at the Center is approximately 38,293 square feet.
5. The annual lease cost is approximately \$1,300,000. Annual increases over the remaining term of the lease extension are approximately 3%. Funds are available to cover the increased rent over the lease term and are included in BDS five-year financial forecast.
6. Pursuant to Resolution #37017 "Reaffirming the City's Interest to Maximize Investment in City-Owned Facilities and Directing the Office of Management and Finance to Fully Implement ADM 13.01", the Office of Management and Finance ("OMF") is working with bureaus to fully implement ADM 13.01 and ART 3.01 by bringing City operations back into City-owned facilities when possible.

7. OMF and BDS have strategically assessed the space need against availability of space in existing City-owned facilities in the downtown Central Business District. There are no viable options within City-owned facilities to provide sufficient space to accommodate the additional space needs.

NOW, THEREFORE, the Council directs:

- a. The Chief Administrative Office or designee are authorized to execute a lease amendment substantially the same as Exhibit A upon approval to form by the City Attorney.

Passed by the Council: OCT 02 2019

Mayor Ted Wheeler
Prepared by: Pauline Goble
Date Prepared: August 15, 2019

Mary Hull Caballero
Auditor of the City of Portland

By



Deputy

Agenda No. ~~909~~ 938
Item Type: Ordinance No. 189725
Council Meeting Date: September 25, 2019

Title: Authorize a lease extension with 2020 Portland Owner, LLC, for office space at Jacobs Center 2020 SW 4th Ave, expiring October 31, 2022 and October 31, 2024, at an average annual estimated cost of \$1.3 million (Ordinance)

AGENDA TYPE

☐ Consent

☒ Regular

☐ Time Certain Start Time

Item 1 of 1

Total amount of time needed for presentation, testimony and discussion (Regular and Time Certain Only): 20 Minutes

INTRODUCED BY: Mayor Wheeler

COMMISSIONER / AUDITOR APPROVAL

Mayor - Finance & Admin. - Wheeler Digitally signed by Mustafa Washington
Washington
Date: 2019.09.17 12:07:19 -0700

Position 1/ Utilities - Fritz

Position 2/ Works - Fish

Position 3/ Affairs - Hardesty

Position 4/ Safety - Eudaly

City Auditor - Hull Caballero

1) Is a completed Impact Statement attached? ☒ Yes

3) Is the item a Code ordinance? ☐ Yes ☒ No

If yes, **Auditor Office** Approval

5a) Is item a Portland Policy Document or Administrative Rule?

☐ Yes ☒ No

BUREAU APPROVALS

Bureau: OMF/CAO

OMF/CAO: Shoshanah Oppenheim Digitally signed by Shoshanah Oppenheim
Oppenheim
Date: 2019.09.09 13:48:18 -0700

Bureau Approval: Tom Rinehart Digitally signed by Tom Rinehart
Rinehart
Date: 2019.09.09 14:34:10 -0700

Prepared By: PGoble

Date Prepared: September 6, 2019

2) Does the item amend the budget? ☐ Yes ☒ No
If yes, **Budget Office** Approval

4) Is this item a contract (current or future), code, easement, franchise, comp plan or Charter? ☒ Yes ☐ No
If yes, **Attorney Office** Approval

Linda Law Digitally signed by Linda Law
Law
Date: 2019.09.09 11:57:18 -0700

5b) If yes, is the City Policy/Admin Rule directive in the ordinance or resolution? ☐ Yes ☒ No

ACTION TAKEN:

SEP 25 2019 PASSED TO SECOND READING OCT 02 2019 9:30 AM

CLERK USE: DATE FILED 9/17/19

Mary Hull Caballero
Auditor of the City of Portland

By: Keelan McClymont Digitally signed by Keelan McClymont
McClymont
Date: 2019.09.17 14:36:04 -0700
Deputy

FOUR-FIFTHS AGENDA

1. Fritz
2. Fish
3. Hardesty
4. Eudaly
Wheeler

COMMISSIONERS VOTED AS FOLLOWS:

	YEAS	NAYS
1. Fritz	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Fish	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Hardesty	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Eudaly	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wheeler	<input checked="" type="checkbox"/>	<input type="checkbox"/>