

Agenda No. 172

ORDINANCE No. 190330

* Amend Intergovernmental Agreement between the Office of Management and Finance and Portland State University to pay the City's pro-rata share of interim property management services for the new commercial multi-level condominium building at 4th and Montgomery not to exceed \$451,000 (Ordinance; amend Contract No. 30007662)

The City of Portland ordains:

Section 1. The Council finds:

1. PSU, OHSU, the City and PCC (each, as "Party" and collectively, the "Parties") executed that certain Amended and Restated Development Agreement dated November 5, 2018, as amended by that certain First Amendment to Amended and Restated Development Agreement dated November 5, 2018 (as may be further amended, the "DA"), which DA governs the redevelopment of certain Property constituting a city block bounded by SW Montgomery Street, SW Harrison Street, SW Fourth Avenue and SW Fifth Avenue (the "Property"). The Property, previously assigned the placeholder monikers of Jasmine Block or 4th & Montgomery property or project, has now been named Vanport Memorial Building (or by its shortened name Vanport condominium).
2. Each of the Parties will have one or more condominium units within the mixed-use project containing office and classroom space and ground floor retail space and common areas to be built on the Property (as more fully described in the DA, the "Project").
3. The Parties intend to form an owner's association (the "Condominium Association") to govern the finished building. The Parties desire to select a property manager and execute a property management contract during the "Transition Period",

Introduced by
Mayor Ted Wheeler

Bureau
Management and Finance

Prepared by
Sharon Raymor

Date Prepared
February 26, 2021

Requested Council Date
March 24, 2021

Requested Agenda Type
Consent

Date Filed with Clerk
March 16, 2021

which is the period of time before the Condominium Association is formed and the documents governing the condominium are completed.

4. The parties fully executed a Property Management Intergovernmental Agreement (Property Management IGA) on March 6, 2020 to provide the terms and conditions to govern the selection of a property manager for the Project (attached as exhibit A). The Property Management IGA was authorized under PCC 3.15.060 and PCC 5.33.060.D.

5. Under the Property Management IGA, each party is responsible for its pro-rata share of payment for property management services during the transition period, with PSU being in the lead to undertake contracting for services pursuant to the university's public contracting process. PSU has done so and has contracted for property management services for the benefit of all four parties. The City's pro-rata share of property management costs has been authorized in the Facilities operating budget for the building.

6. The transition period has become longer than expected due to COVID-19 delays faced by each party and relevant regulatory or administrative agencies in the condominium creation process. The City and PSU agree that it would be an unfair burden for PSU to continue to carry all parties' shares of property management costs in addition to PSU's own. In light of that, PSU and the City agree that the City should pay the City's share of accrued costs, which would be \$51,000 as the initial reserve contribution, and the City should pay its share of the ongoing monthly expenses which would be at the not-to-exceed amount of \$40,000 per month.

7. The parties expect the Vanport condominium would be fully completed and conveyed to the respective party-partners including the City by no later than October 2021. The expected Transition Period property management expenditure would be \$451,000.

8. The Office of Management and Finance/Facilities Services (OMF Facilities) recommends authorization of the Intergovernmental Agreement amendment for PSU to provide payment to PSU for Transition Period Property Management services.

NOW, THEREFORE, the Council directs:

a. The Property Management IGA executed by the Chief Administrative Officer's Office is reaffirmed, attached and incorporated as Exhibit A.

b. The Chief Procurement Officer is authorized to enter into an addendum with Portland State University to amend the Property Management IGA to pay the City's pro-rata share of property management expenses, in a form substantially in accordance with Exhibit B attached, upon approval as to form by the City Attorney's Office.

c. The Mayor and Auditor are hereby authorized to execute payments to Portland State University for the City's transition period pro-rata share of property management services expenses when demand is presented and approved by the proper authorities

Section 2. The Council declares that an emergency exists to prevent delays in property management services; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by Council: March 24, 2021

MARY HULL CABALLERO

Auditor of the City of Portland

By *Megan Lehman*

Deputy

Action taken:

Four Fifths Agenda	Commissioners voted as follows:		
		YEAS	NAYS
1. Rubio	1. Rubio	✓	
2. Ryan	2. Ryan	✓	
3. Hardesty	3. Hardesty	✓	
4. Mapps	4. Mapps	✓	
Wheeler	Wheeler	✓	