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## 190776

Ordinance

### Authorize a 65-month lease extension with Three Nineteen Washington, LLC for office space at The Spalding Building at 319 SW Washington St for the Office of the Portland Children's Levy (amend CLM Contract No. 10022 formerly MM No. 30000628)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The City proposed and voters approved a local option property tax levy at the November 5, 2002, general election to fund programs to help children in Portland. The Children's Investment Fund was formally created by Ordinance No. 177591 passed by Council on June 19, 2003. The Portland Children's Levy was renewed by voters in 2008, 2013, and 2018.
2. The Portland Children's Levy makes focused investments in proven programs in the areas of: early childhood development to support children and families to prepare for kindergarten; after school and mentoring to provide students a safe place to learn and offer vital one-to-one help to increase academic and social skills; child abuse prevention and intervention to reach at-risk children and stressed families, foster care to support the educational and social development of foster youth; and hunger relief to provide nutritious and healthy meals to mitigate hunger's devastating effects on a child's health and well-being. A five-person citizen Allocation Committee makes recommendations regarding the expenditures of levy funds.
3. On March 1, 2005, the Children's Investment Fund entered into a real property lease for staff offices located in the Spalding Building, 319 SW Washington St, Portland, Oregon, a registered historic building with contract C52392, which became contract 30000628 in SAP.
4. Three Nineteen Washington, LLC purchased the building from the Spalding Building, LLC on January 7, 2009, and assumed all obligations of the lessor under the Lease.
5. Ordinance 183510 authorized the City Commissioner charged with oversight of the Portland Children's Levy to execute a real property lease for staff office space. Amendment No 1 of Lease extended the lease term through May 31, 2015, and the leased space moved from suite 310 to suite 415 on June 1, 2010. On May 22, 2015, Amendment

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Division of Asset Management \(DAM\); Management and Finance](#)

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**Requested Agenda Type**

Consent

- No 2 extended the lease term through June 30, 2020. On June 17, 2020, Amendment No 3 extended the lease term through June 30, 2022.
6. In October 2018, Ordinance NO. 189192 established the Office of the Portland Children's Levy ("Children's Levy") and directed the Office of Management and Finance ("OMF") to take any and all administrative actions to implement the new Office including maintaining all contracts and grants in effect with Children's Levy funds.
  7. The Children's Levy recently re-assessed its office space needs and determined a smaller space was more suitable and cost-effective for its operations and wishes to execute a lease for approximately 1,271 rentable square feet in Suite 305 in the same building effective July 1, 2022, with two 5-year options to renew the term. The Landlord is willing to lease at commercially reasonable rental rates and lease terms and is contracted with union-represented janitorial services for the building.
  8. The Children's Levy wishes to extend the lease that expires June 30, 2022, through November 30, 2027. Pursuant to Resolution #3701 "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, 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.
  9. OMF and the Children's Levy have strategically assessed the space needs against the availability of space in existing City-owned facilities. There are no viable options within City-owned facilities to provide sufficient space to accommodate the Children's Levy needs by June 30, 2022.
  10. The expected financial impact is estimated at \$19,278 for FY 2022/23 which is built into the office space lease budget. The expected financial impact in FY 2023/24 is \$34,032 with annual increases over the remaining term of the lease extension of approximately 3%.

NOW, THEREFORE, the Council directs:


- A. The Chief Administrative Officer or designee is authorized to execute any documents including, but not limited to, amendments and extensions necessary to lease property in the Spalding Building for Office of the Portland Children's Levy's purposes. All documents will be approved as to form by the City Attorney prior to execution.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
April 20, 2022

Auditor of the City of Portland  
Mary Hull Caballero

## Impact Statement

 [Impact Statement](#) (25.37 Kb)

## Budget Office Financial Impact Analysis

This action authorizes a new 65 month lease for office space for the Office of the Children's Levy beginning in FY 2022-23. The total cost of the first year of the lease is \$19,278 which includes 5 free months of rent, resulting in approximately \$15,000 in savings compared to the Office's current year rent costs. The rent costs will increase to \$34,032 in FY 23-24 and will grow 3% annually thereafter. The cost of the new lease is included in the Office's FY 22-23 Requested Budget.

## Agenda Items

### 266 Consent Agenda in [April 13-14, 2022 Council Agenda](#)

Passed to second reading

Passed to second reading April 20, 2022 at 9:30 a.m.

### 297 Consent Agenda in [April 20-21, 2022 Council Agenda](#)

Passed

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea