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191188

Emergency Ordinance

***Authorize the Chief Administrative Officer or designee to negotiate and execute one or more lease agreements to temporarily relocate a portion of CityFleet Stanton Yard operations during the Oregon Department of Transportation I-5 Rose Quarter Improvement project**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Office of Management and Finance (OMF)'s CityFleet program ["Fleet"] is a comprehensive fleet management program that provides procurement and maintenance services, Monday through Friday from 6 am to Midnight, for over 4000 vehicles and equipment.
2. Fleet manages the acquisition, maintenance, repair, and surplussing of all City-owned vehicles except fire apparatus. It oversees the City's motor pool service, vehicle and equipment rentals, and fueling locations. Fleet also services vehicles for several regional clients, such as Multnomah County and Portland Public Schools.
3. Per Ordinance 175715, passed June 27, 2001, the City executed a lease agreement with the Oregon Department of Transportation ("ODOT") for certain parcels at Stanton Yard ("Stanton") to facilitate ongoing maintenance needs. Fleet's operations occupy a portion of Stanton that is located adjacent to the Kerby Garage ("Kerby"), out of which Fleet operates, and provides an essential City service.
4. In January 2023, OMF was notified by ODOT of the need to temporarily terminate the lease of certain Stanton parcels occupied by Fleet to accommodate its I-5 Rose Quarter Improvement project ("Project"), beginning on September 1, 2023, for a period of 6 years. Termination of the ODOT lease would reduce the availability of operations space and negatively impact the efficacy of on-going operations of Fleet.
5. City Binding Policy ADM 13.01 directs bureaus to locate their operations in City owned or controlled facilities when these facilities

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Facilities; Management and Finance](#)

Contact

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Requested Agenda Type

Four Fifths

Date and Time Information

Requested Council Date

March 1, 2023

Time Requested

10 minutes

reasonably meet the business need of the bureaus. Resolution No. 37017 reaffirmed ADM 13.01 and directed OMF to work with bureaus to fully implement relevant policies by bringing City operations back into City-owned facilities when cost effective to do so, and to bring leases or rental agreements to Council for approval.

6. OMF and Fleet have strategically assessed the operational impacts that must be relocated, and have concluded, from a search of existing City-owned available properties that there are no existing properties available to satisfy Fleet's needs. OMF desires to support Fleet with identifying replacement properties and negotiate commercially reasonable rental rates and terms. Time is of the essence and with the scarcity of suitable options available to accommodate the displaced Fleet operations, expediency is required in order to capitalize on potential opportunities.

NOW, THEREFORE, the Council directs:

- A. The Chief Administrative Officer or designee is authorized to execute any relevant documents including, but not limited to, amendments and extensions necessary to lease other real property to accommodate the temporary relocation of CityFleet's operations. All documents will be reviewed by the Office of Management and Finance's Planning and Portfolio Management team, consistent with Section 1 findings, for commercially acceptable terms and conditions and approved as to form by the City Attorney prior to execution.

Section 2. The Council declares that an emergency exists because the lease termination due to ODOT's Rose Quarter I-5 Expansion Project will negatively impact the on-going operations of CityFleet at Stanton Yard and Kerby Garage and the City must promptly secure substitute real property sufficient to relocate bureau operations; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

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

March 1, 2023

Auditor of the City of Portland

Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

According to Ordinance 175715, the City executed a lease agreement with Oregon Department of Transportation (ODOT) for the use of certain parcels of land at the Stanton Yard for ongoing maintenance needs for CityFleet (Fleet).

Fleet occupies a portion of the Stanton Yard that is located adjacent to the Kerby Garage for their operations and essential services.

In January 2023, ODOT notified Office of Management and Finance (OMF) of the need to terminate their lease of certain Stanton parcels occupied by Fleet to accommodate the I-5 Rose Quarter Improvement Project beginning September 2023 for 6 years.

The termination of the lease will negatively impact the operations of Fleet. As such, OMF must secure a substitute property that will meet the needs and services of Fleet.

Financial and Budgetary Impacts

Fleet has two resources for addressing this relocation from ODOT properties. First, Fleet rates include \$17,800/month for the lease of ODOT properties that can go towards leasing temporary space beginning in October 2023.

Second, the fund has \$595,000 in a special reserve for mitigating the impact of selling a parking lot to Emanuel Hospital a number of years ago. This can be used for one-time improvements required of the site and as a bridge to FY 2024-25 when any additional annual costs of the temporary space over what is paid to ODOT can be incorporated into Fleet rates. This money had been planned to fund a portion of the Kerby relocation project.

Community Impacts and Community Involvement

Not applicable.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

This ordinance allows OMF-CityFleet (Fleet) to negotiate and execute agreements for temporary relocation of Fleet from Stanton Yard to non-City owned properties. The required relocation from Stanton Yard follows the termination of Fleet's lease by the Oregon Department of Transportation (ODOT) due to ODOT's Rose Quarter I-5 Expansion Project. To cover costs associated with relocation, Fleet will tap two resources. First is

\$17,800/month in Fleet rates that currently pay for Fleet's lease on ODOT property. Second is \$595,000 in reserves for mitigating the impact of selling a parking lot to Emmanuel Hospital. Fleet will additionally leverage reserves as a bridge to FY 2024-25 when any additional costs over their current ODOT lease costs can be incorporated into Fleet rates paid by bureau customers.

Agenda Items

180 Four-Fifths Agenda in [March 1, 2023 Council Agenda](#)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Absent

Mayor Ted Wheeler Yea