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191359

Emergency Ordinance

*Authorize Intergovernmental Agreement with Multnomah County not to exceed \$12,500,000 for the Justice Center Bus Duct Replacement Project

Passed

Amended by Council

The City of Portland ordains:

Section 1. The Council finds:

1. The Justice Center was created in 1983 as a public condominium with the City of Portland ("the City") and Multnomah County ("County") being the principal owners. The Justice Center serves law enforcement, courts, and jailhouse/corrections functions. County's facilities division serves as the property manager to the condominium association while the Office of Management and Finance's Division of Asset Management is assigned responsibility for the portion of the Justice Center owned by City.
2. City and County desire to work together to replace the bus duct system ("Project") at the Justice Center, which both City and County share responsibility in maintaining as a condominium common element. The Justice Center's bus duct system is composed of incoming building electrical service, busway risers, and electrical distribution equipment, which are mostly of original construction (1981). These components are fast approaching the end of their useful life and are at risk of failure. The Project will focus primarily on replacement of the main incoming electrical service and busway risers because the failure of these components would result in a significant, if not complete, electrical outage throughout the entire building. An electrical outage at the Justice Center should be avoided at all costs due to the nature of the services provided at the Justice Center, including intake and release for Portland Police Bureau (PPB) to the Multnomah County jail system, Multnomah County's maximum-security jail, PPB's Central Precinct, law enforcement investigative and corrections offices, and arraignment courtrooms. These functions cannot be performed at other locations without requiring significant

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance](#)

Contact

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

June 28, 2023

Time Requested

10 minutes

planning and incurring substantial costs, which makes this a time-critical Project.

3. County will manage the design and construction of the Project and City will reimburse County for City's proportionate costs associated with the Project. As part of the Project planning, County determined that a route for the Project's electrical wiring using the shaft of Elevator #2 would be a significant cost savings option and would pose less construction risks than the use of the existing utility shaft. However, use of the elevator shaft for the Project would result in permanent decommissioning of Elevator #2 for use by City. This IGA grants the permanent use of the shaft of Elevator #2 to the condominium association for use on behalf of the Project. The County has provided the City with a Project cost credit related to Elevator #2 as part of the determination of the City's financial obligation for the Project.
4. The costs of the Project shall be apportioned as follows: County is responsible for 57.91% plus the Elevator #2 Cost Credit; City is responsible for 41.34% less the Elevator #2 Cost Credit; and the owner of Unit 4 is responsible for 0.75%.
5. Funds are included in the FY 2023-24 Facilities Services budget.
6. The Project budget is estimated to be approximately \$30,000,000 with funding milestones and total anticipated commitments for the Justice Center unit owners as noted in the chart below. This chart shows those amounts considered as the base scope of work for the Project, which is estimated at \$25.5 million, and \$4.5 million in related electrical system work that would be logical and economical to undertake concurrently with the base scope of work for the Project.
7. Anticipated 5-Year Cost Spread, Apportioned by Owner

Fiscal Year	Total	City (41.34%)	County (57.91%)	Unit 4 Owner (0.75%)
FY 23-24	\$650,000	\$268,710	\$376,415	\$4,875
FY 24-25	\$2,750,000	\$1,136,850	\$1,592,525	\$20,625
FY 25-26	\$12,000,000	\$4,960,800	\$6,949,200	\$90,000
FY 26-27	\$11,100,000	\$4,588,740	\$6,428,010	\$83,250
FY 27-28	\$3,500,000	\$1,446,900	\$2,026,850	\$26,250
TOTALS	\$30,000,000	\$12,402,000	\$17,373,000	\$225,000


8. The Office of Management and Finance recommends that an IGA with Multnomah County be approved for a total agreement value not to exceed \$12,500,000, unless authorized by Council in a future budget.

NOW, THEREFORE, the Council directs:

- A. The City's Chief Administrative Officer or designee is authorized to execute an IGA with Multnomah County in the not-to-exceed amount of \$12,500,000, provided the agreement is approved as to form by the City Attorney's Office, in a form similar to Exhibit A. The City's Chief Administrative Officer or designee is authorized to amend the terms and conditions of the IGA, provided the amendment does not substantially increase the City's legal or financial risks. The City's Chief Administrative Officer or designee may increase the IGA value only if City Council clearly authorizes additional funding for the Project through an approved future budget.
- B. The Mayor and City Auditor are hereby authorized to execute payments to Multnomah County when demand is presented and approved by the proper authorities.

Section 2. The Council declares that an emergency exists because it is necessary to address fire safety issues for residents; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/jc-iga_6.14.23.docx\)](https://www.portland.gov/sites/default/files/council-documents/2023/jc-iga_6.14.23.docx) 63.17 KB

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 as amended by Council
June 28, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The City and Multnomah County desire to work together to replace the bus duct system at the Justice Center, which both the City and the County share responsibility for in maintaining as a condominium common element. The Justice Center's bus duct system is composed of incoming building electrical service, busway risers, and electrical distribution equipment, which are

mostly of original construction (1981). These components are fast approaching the end of their useful life and are at risk of failure. The project will focus primarily on replacement of the main incoming electrical service and busway risers because the failure of these components would result in a significant, if not complete, electrical outage throughout the entire building.

The County will manage the design and construction of the Project and the City will reimburse the County for the City's proportionate costs associated with the Project.

This ordinance authorizes an intergovernmental agreement with the County for the project.

Financial and Budgetary Impacts

The project is funded by cash transfers from the General Fund to the Facilities Services Fund approved in the FY 2022-23 budget process (\$5.5 million) and the FY 2023-24 budget process (\$6.5M), and \$500,000 from the Police facilities major maintenance account in the Facilities Services Fund (if needed).

Community Impacts and Community Involvement

Not applicable.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

The current estimated cost of the capital project to replace the electrical duct and related electrical work is approximately \$30 million. The city is in a condo agreement with Multnomah County and is responsible for covering \$12.5 million of the total costs which is fully funded in the Facilities Fund. The FY 2022-23 Adopted Budget allocated \$5.5 million in General Fund resources toward the project. The FY 2023-24 Adopted Budget allocates \$6.5 million in General Fund resources and \$500,000 from the Police Facilities Major Maintenance Account in the Facilities Services Fund.

Agenda Items

556 Regular Agenda in [June 28, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/6/28)
(<https://www.portland.gov/council/agenda/2023/6/28>)

Passed As Amended

Motion to make item 556 an emergency ordinance to address fire safety issues for residents: Moved by Mapps and seconded by Wheeler. (Y-5)

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea