

Ordinance No.

187389

Authorize a five year lease extension with UPI Commonwealth LLC for the Housing Bureau leased premises at the Commonwealth Building through October 31, 2021 (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. 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 Bureau of Internal Business Services (BIBS) 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.
2. Pursuant to Resolution #37017, BIBS is working with bureaus to meet their operational space needs, and to determine the feasibility of meeting those needs by using City-owned office space.
3. Due to the pending renovations planned for the Portland Building, the Portland Building is not a viable option to provide sufficient space to accommodate the needs of the Housing Bureau.
4. Pursuant to ART 3.01, when evaluating non-city owned buildings that equally meet location, cost and space requirements preference will be given to properties listed in the National Register of Historic Places. The Commonwealth Building is listed in the National Register of Historic Places.
5. The City currently leases approximately 20,013 square feet from UPI Commonwealth LLC, at 421 SW Sixth Avenue with an expiration date of October 31, 2016. Although the Lease does not have an extension provision, the Parties agree to extend the Term of the lease for an additional five year period. The 2015-2016 annual lease cost is approximately \$498,924.
6. The Commonwealth Building was re-measured in 2010 in accordance with BOMA standards by GBD Architects. The new square footage for the leased space will be 20,600 SF. The annual lease cost beginning November 1, 2016 will be \$604,400.
7. The new lease represents a 21% or \$112,000 increase spread over FY 2016-17 and FY 2017-18 above the current lease, which was signed in mid-2009. Annual increases over the remaining term of the new lease are approximately 3%, as opposed to 4% under the expiring lease. The net lease abatement savings to the bureau in the current FY 2015-16 fiscal year is \$198,000. An additional \$135,000 of the tenant improvements allowance can be converted to a lease abatement, and the bureau anticipates that these funds will be converted. These one-time savings exceed the

cumulative five year lease increase of \$183,800. Funds are available to cover the new lease agreement and are included in the bureau's five year financial forecast.

8. It will not be feasible to relocate these operations to City space by October 31, 2016.

NOW, THEREFORE, the Council directs:

- a. The Director of the Bureau of Internal Business Services or his designee is authorized to execute documents as necessary, once approved as to form by the City Attorney, to extend the lease term at 421 SW Sixth Avenue for an additional five year period of time though October 31, 2021.

Passed by Council, OCT 21 2015
Mayor Charlie Hales
Prepared by Pauline Goble
October 1, 2015

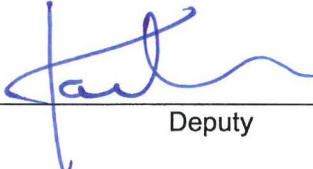


Mary Hull Caballero
Auditor of the City of Portland

By: *Susan Parsons*
Deputy

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 Agenda No.
ORDINANCE NO. 187389
 Title

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales</p>	<p>CLERK USE: DATE FILED <u>OCT 09 2015</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor - Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: right;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: OMF CAO: Fred Miller Bureau Head: Bryant M. Enge </p> <p>Prepared by: October 1, 2015 Date Prepared: Pauline Goble</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter </p> <p>Council Meeting Date October 14, 2015</p>	<p>ACTION TAKEN:</p> <p>OCT 14, 2015 RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</p> <p>OCT 14 2015 PASSED TO SECOND READING OCT 21 2015 9:30 A.M.</p>

<p style="text-align: center;">AGENDA</p> <p>TIME CERTAIN <input type="checkbox"/> Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p> <p>CONSENT <input checked="" type="checkbox"/> <i>Pulled</i></p> <p>REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">FOUR-FIFTHS AGENDA</th> <th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th> </tr> <tr> <th></th> <th>YEAS</th> <th>NAYS</th> </tr> <tr> <td>1. Fritz</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>2. Fish</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>4. Novick</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>Hales</td> <td style="text-align: center;">✓</td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz	✓		2. Fish	✓		3. Saltzman	✓		4. Novick	✓		Hales	✓	
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