

Ordinance No. 187760 As Amended

*Authorize a new ten year lease with Urban Office and Parking Facilities, for the Bureau of Human Resources CityKids childcare operation relocation.

The City of Portland ordains:

Section 1. The Council finds:

1. Due to the Portland Building Reconstruction Project, the City's child development/care center for the children of City employees requires relocation to ensure childcare continuity.
2. Childcare is a benefit offered to City employees and is essential to employee retention and recruitment. Childcare is an integral component for the City to position itself as an Employer of Choice. If the City does not approve this lease, it will be unable to offer childcare to employees during the Portland Building reconstruction.
3. The City has identified approximately 8,200 square feet on the first floor of the Crown Plaza Building at 1500 SW First Avenue as a space to provide childcare. This location was previously used for childcare and has been identified through a feasibility study to be suitable for City childcare usage. Although improvements are required, no major permitting or code usage changes for the space are needed.
4. The lease is to commence on September 1, 2016, for a term of 10 years. Authorization for this lease is required by May 25, 2016, in order for construction to begin on June 1, 2016 and the space ready for occupation in the Fall.
5. A ten year lease is required in order to obtain landlord tenant improvement subsidies that would otherwise not be made available to the City. A period of ten years also allows the City to make full use of the capital investment for improvements required of both the City and the landlord. Currently, enough demand exists from City employees to fill this center, and potentially fill an additional space in the Portland Building if made available for childcare services once the Portland Building Reconstruction is complete
6. The lease cost for the new space will continue to be paid by bureaus contributing to the current childcare facility. The annual lease cost is expected to be approximately \$163,690 with a 3% increase per year, plus prorated building operating cost increases. Approximately \$0.40 per square foot is charged to City bureaus in the Portland Building, City Hall and the 1900 Building as a contribution to the Facilities Fund through which the lease is paid. In FY 2016-2017 the amount charged to bureaus is expected to remain the same for the base lease cost. In the future years the incremental increases will be charged to the bureaus. The tenant improvements will

be funded from the existing daycare reserve fund, contributions from the landlord, and a \$200,000 contribution from the Facilities Operating Fund. Facilities will recoup these costs via interagencies with bureaus currently contributing to the childcare facility.

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, for the lease at Crown Plaza for a ten year period of time though August 30, 2026.

Section 2. The Council declares that an emergency exists in order that this lease agreement may occur without delay; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by Council, MAY 25 2016
Mayor Charlie Hales
Prepared by Pauline Goble
May 16, 2016

Mary Hull Caballero
Auditor of the City of Portland
By:


Deputy

544

Agenda No. **Ordinance NO. 187760** As Amended
Title

*Authorize a new ten year lease with Urban Office and Parking Facilities, for the Bureau of Human Resources CityKids childcare operation relocation. (Ordinance)

INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales	CLERK USE: DATE FILED <u>MAY 17 2016</u>
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland By: <u><i>Susan Parsons</i></u> Deputy ACTION TAKEN:
Mayor—Finance and Administration - Hales	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
BUREAU APPROVAL	
Bureau: Fred Miller, CAO <i>Amended</i> Bureau Head: Bryant Enge, Director <i>BE</i>	
Prepared by: Pauline Goble Date Prepared: 5/16/2016	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date May 25, 2016	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input checked="" type="checkbox"/> <i>Pulled</i>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Novick	—	
Hales	✓	