

ORDINANCE No. 188098

*Authorize leasing of commercial office space at non-City owned buildings to temporarily relocate business operations during the Portland Building Reconstruction project (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Portland Building Reconstruction project (per Resolution No. 37158, dated October 2015) shall be completed no later than the end of 2020 and for an amount not to exceed \$195 million. Included within the project budget is funding for commercial leases (“Leases”) to relocate business operations conducted by the approximately 1,300 employees currently located in the Portland Building, while the building is under construction.
2. The purpose of this Ordinance is to grant the Bureau of Internal Business Services (“BIBS”) the authority to sign and execute all Leases, or other contract requirements, that will be entered into related to the Portland Building Reconstruction project in lieu of submitting a separate Ordinance to City Council for approval of each individual lease. Due to limited availability of space in the Central Business District (CBD), BIBS is requesting this authority so that Leases can be secured without delay, potentially limiting the risk of losing available space.
3. The Chief Administrative Office (“CAO”) in the Office of Management and Finance (“OMF”) provided an update to Council on September 23, 2016, regarding the decision to move employees and vendors out of the building for the duration of building construction. This decision was based on analysis from the Project Team and City Risk Management and considered the cost, benefits, risks, employee feedback, and advice given by industry experts.
4. 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”, BIBS has strategically assessed the space need of business operations currently in the Portland Building against availability of space in existing City-owned facilities. There are no viable options within City-owned facilities to provide sufficient space to relocate current operations from the Portland Building.
5. Jones Lang LaSalle, Inc. (“JLL”) has been authorized by the City, as a sub-consultant to Howard S. Wright Construction, to represent the City in identifying viable space and negotiating the Leases in conjunction with the Relocation Team and with oversight from BIBS Property Management. JLL released a Request for Information to potential building owners and landlords in and around the CBD. As a result, JLL has submitted Proposals to several building owners and landlords and is currently negotiating with them on behalf of the City.

6. The Project Team is prioritizing options that maximize the functionality of current business operations while balancing the cost to assure the overall Project budget. JLL has specialists in move management and change management and will be working alongside the project's Change Management Committee members to minimize disruptions during moves and assist in helping employees with the transition.
7. The budget for the Portland Building Reconstruction project includes appropriation for leasing temporary space and will be balanced with in the overall project budget of \$195 million.

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 Leases and extensions or renewals of commercial office space at non-City owned buildings to temporarily relocate business operations during the Portland Building Reconstruction project.

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 the Council: NOV 17 2016

Mayor Charlie Hales
Prepared by: Pauline Goble
Date Prepared: November 1, 2016

Mary Hull-Caballero
Auditor of the City of Portland
By *Gayla Jennings*
Deputy

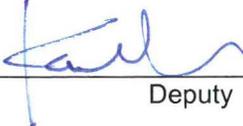
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Agenda No.
Ordinance NO.
Title

188098

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INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales	CLERK USE: DATE FILED <u>NOV 08 2016</u>
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland
Mayor—Finance and Administration - Hales	By: <u></u> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: Fred Miller, CAO Bureau Head: Bryant Enger, Director	NOV 16 2016 CONTINUED TO NOV 17 2016 2 P.M.
Prepared by: Pauline Goble Date Prepared: November 2, 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 checked="" 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 11/16/16	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input checked="" type="checkbox"/>
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	1. Fritz <input checked="" type="checkbox"/>	
2. Fish	2. Fish <input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman <input checked="" type="checkbox"/>	
4. Novick	4. Novick <input checked="" type="checkbox"/>	
Hales	Hales <input checked="" type="checkbox"/>	