

Agenda No. ~~218~~ 236

ORDINANCE No.

Authorize a 48-month sublease extension with Central City Concern for commercial office space at 110 NW Third Ave through June 30, 2024 at an estimated average lease cost of \$16,362 (Ordinance; amend Contract C52823)

The City of Portland ordains:

Section 1. The Council finds:

1. In 1995 through Ordinance 162735, the City of Portland, by and through the Mayor’s office, entered into a commercial lease agreement with Central City Concern (“CCC”) for a neighborhood contact office (“Office Space”) for the Portland Police Bureau (“PPB”). The Office Space is located at 110 NW Third Avenue, Portland, Oregon, and more commonly known as the Estate Hotel (“Building”).
2. In 2002 through Ordinance 176738, the Office of Management and Finance (“OMF”) was given real property authority to execute agreements to include non-City owned properties. And in 2007, OMF entered into a sublease agreement (“Sublease”) with CCC for the Office Space after the Building came under new ownership and CCC retained use of the commercial spaces through a Master Lease agreement.
3. Resolution #37017, passed in 2013, “Reaffirming the City’s Interest to Maximize Investment in City-Owned Facilities by maintaining full occupancy and Directing the Office of Management and Finance to Fully Implement ADM 13.01”, directs OMF to work with bureaus to fully implement ADM 13.01 by bringing City operations back into City-owned facilities when possible.

Introduced by
Mayor Ted Wheeler

Bureau
Management and
Finance
Facilities

Prepared by
Pauline Goble

Date Prepared
March 15, 2021

**Requested Council
Date**
April 7, 2021

**Requested Agenda
Type**
Consent

Date Filed with Clerk
March 30, 2021

4. OMF strategically assessed PPB's space needs against availability of space in existing City-owned facilities. There are no viable options within City-owned facilities to meet the area-specific requirements of this key location in Old Town China Town.
5. The Sublease was extended in 2012 and 2016 to continue PPB's use of the Office Space and PPB wishes to extend the Sublease for a 48-month term. CCC is willing to continue to lease at commercially reasonable rental rates and terms.
6. Rent for the initial 12-month term is \$14,748 with annual increases of 4%. Funding for this lease is in the existing PPB budget. OMF will add this lease to the Interagency Agreement between OMF and PPB in the Spring BMP and the FY 2021-22 agreement in either the Adopted Budget or Fall BMP.

NOW, THEREFORE, the Council directs:

- A. The Chief Administrative Officer or designee is authorized to execute any documents including, but not limited to, amendments and extensions necessary to sublease or lease property in the Estate Hotel Building for a neighborhood contact office subject to commercially reasonable rental rates and terms consistent with other City commercial office leases and vetted by OMF property management. All documents will be approved as to form by the City Attorney prior to execution.

Passed by Council:

MARY HULL CABALLERO

Auditor of the City of Portland

By

Deputy

Action taken: April 7, 2021 Passed to Second Reading April 14, 2021 at 9:30 am

Commissioners voted as follows (Yea or Nay)

Rubio -

Ryan -

Hardesty -

Mapps -

Wheeler -

IMPACT STATEMENT

Legislation title: Authorize a 48-month sublease extension with Central City Concern for commercial office space at 110 NW Third Ave through June 30, 2024 at an estimated average lease cost of \$16,362 (Ordinance; amend Contract C52823)

Contact name: Pauline Goble

Contact phone: 503-823-6330

Presenter name: Pauline Goble / Mike Summerson

Purpose of proposed legislation and background information:

In 1995 through Ordinance 162735, the City of Portland, by and through the Mayor's office, entered into a commercial lease agreement with Central City Concern ("CCC") for a neighborhood contact office ("Office Space") for the Portland Police Bureau ("PPB"). The Office Space is located at 110 NW Third Avenue, Portland, Oregon, and more commonly known as the Estate Hotel ("Building").

In 2002 through Ordinance 176738, the Office of Management and Finance ("OMF") was given real property authority to execute agreements to include non-City owned properties. And in 2007, OMF entered into a sublease agreement ("Sublease") with CCC for the Office Space after the Building came under new ownership and CCC retained use of the commercial spaces through a Master Lease agreement

OMF strategically assessed PPB's space needs against availability of space in existing City-owned facilities. There are no viable options within City-owned facilities to meet the area-specific requirements of this key location in Old Town China Town.

The Sublease was extended in 2012 and 2016 to continue PPB's use of the Office Space and PPB wishes to extend the Sublease for a 48-month term. CCC is willing to continue to lease at commercially reasonable rental rates and terms.

Financial and budgetary impacts:

Rent for the initial 12-month term is \$14,748 with annual increases of 4%. Funding for this lease is in the existing PPB budget. OMF will add this lease to the Interagency Agreement between OMF and PPB in the Spring BMP and the FY 2021-22 agreement in either the Adopted Budget or Fall BMP.

Community impacts and community involvement:

This space allows PPB to have a more consistent presence in the Old Town district. There is a visible presence as well, as PPB has a parking space out front when they are utilizing this space.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount