

GRESHAM CITY COUNCIL

AGENDA ITEM TYPE: DECISION



Approval of Lease Agreement Between Multnomah County and the City of Gresham

Meeting Date: May 16, 2017
Service Areas: FMS

Agenda Item Number: E-2
Service Area Managers: Bernard Seeger

REQUESTED COUNCIL ACTION

Approve a five-year land use lease with Multnomah County at the John B. Yeon Multnomah County Facility, at 1620 SE 190th Ave Gresham, OR 97233, to provide an updated and expanded space solution for the City's fleet operations services.

PUBLIC PURPOSE AND COMMUNITY OUTCOME

Properly maintained and repaired City fleet and equipment are critical to the safe and effective delivery of both emergency and non-emergency City services. To meet this high standard of service in an efficient and cost effective manner, the City's Fleet requires an adequate operating space for its staff of three mechanics, a parts specialist, analyst, and supervisor. The Yeon facility lease will meet these requirements and further enhance the important partnership between the City and County as they pursue their mutual interests and strategic goals.

BACKGROUND

The City's fleet office has been operating out of the Public Schools and Safety (PSS) building since 1982. In the last 35 years the City's fleet has grown substantially while the fleet's operating space remains unchanged at two bays plus limited space for lubricants, parts, tires, and administration. During the summer of 2016, the City's 30 Ton lift in the north bay became compromised after almost three decades of use. On July 5, 2016, staff requested the authority to replace this system and was granted approval by Council to purchase a new system for \$102,114. After further due diligence by staff and engineers, it was determined the concrete work for both bays would have to be re-designed and replaced to accommodate another in-ground Heavy Duty lift system. The cost of this redesign and concrete work was estimated at another \$150,000 - on the low end. Given the estimate \$250,000 (or more) repair cost for a service area with significant space constraints, staff concluded it should consider other alternatives for these resources. After hiring a consultant to conduct a fleet space study and examining multiple options, with special attention on the County facility, staff concluded a move to the Yeon facility was in the City's best near-to-mid-term fleet service interests and needs. It's also noteworthy, the City already has an over ten year established presence at the Yeon site with its Transportation Signal Operations shop. With these findings, staff engaged County personnel and negotiated a lease as provided in Exhibit A. In assessing the cost, staff noted that the County is proposing the same internal service charge on a per-square-foot charge it levies on its own staff and operations. In addition, its utility pass through cost is much lower than identified in similar lease agreements.

RECOMMENDATION AND ALTERNATIVES

Recommendation:

Approve a five-year land use lease with Multnomah County at the John B. Yeon Multnomah County Facility, at 1620 SE 190th Ave Gresham, OR 97233, to provide an updated and expanded space solution for the City's fleet operations services.

Alternative:

Council could choose to amend or decline this lease proposal. This would lead to a continuation of degraded fleet operational effectiveness and efficiency until an amended lease or another space solution was identified and implemented. Further, this operational challenge would incrementally increase the City's risk exposure for City operations that involve a fleet component.

BUDGET / FINANCIAL IMPACT

The cost of the lease is included in the FY2017/18 Proposed Budget. The cost for 12 months of occupancy is \$167,460 + Utilities.

PUBLIC INVOLVEMENT

Not applicable.

NEXT STEPS

If approved, City facilities staff under the direction of the fleet office will move forward with the construction of administrative and parts storage space and then conduct a complete move of operations soon after.

ATTACHMENTS

Proposed Five-Year Multnomah County Lease.

FROM:

Bernard Seeger, Finance and Management Services Director

REVIEWED THROUGH:

Sharron Monohon, Budget and Financial Planning Director
Bernard Seeger, Finance & Management Services Director
David Ris, City Attorney
Office of Governance and Management

FOR MORE INFORMATION

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