



# Oregon

Tina Kotek, Governor

**Department of Administrative Services**  
Enterprise Asset Management – Real Estate Services  
1225 Ferry Street SE U100  
Salem, OR 97301-4281

February 10, 2023

The Honorable Senator Lew Frederick, Co-Chair  
The Honorable Representative Susan McLain, Co-Chair  
Joint Committee on Ways and Means  
Subcommittee on Education  
900 Court St. NE  
Salem, OR 97301

RE: House Bill 5023  
Inquiry regarding rent increase for Health Related Licensing Boards

Dear Co-Chairpersons:

In response to your inquiry relating to Portland State Office Building (PSOB) rents for the Health Related Licensing Boards, please see below for details on square footage and rate calculations.

### **Unique Situation – Shared Square Footage**

A portion of the fourth floor of the PSOB is shared among several boards.<sup>1</sup> The 833 Boards consist of OMCB, OVMEB, BSPA, OTLB, OBNM and OBMI. All of the 833 boards (except OBMI) have dedicated office space, and additionally shared spaces on the 4<sup>th</sup> floor of PSOB with OBPT, per a memorandum of understanding. These shared spaces are shown on the attached floor plan (in purple and green) as “Suite Shared” and “Health Boards Shared,” which are comprised of shared office and conference room space.

OBMI occupies space on the 11<sup>th</sup> floor, which rental charge is included in the 833 Boards rent per the MOU. Per an arrangement with DAS Shared Financial Services, the 833 Boards only receive one invoice for all shared spaces utilize a shared internal billing mechanism to pay the invoice. OBPT receives a separate invoice because they are a semi-independent agency.

Current rent for the 833 Boards is \$13,030.49 (7,320.5 rsf @ \$1.78). Current rent for OBPT is \$2,183.17 (1,226.5 rsf @ \$1.78). Total rent for all shared spaces is \$15,213.66 (8,547 rsf @ \$1.78).

### **BOMA Measurements & Calculation of Rent**

Rent for all tenants in DAS-owned “Uniform Rent” buildings changed at the beginning of the 21-23 biennium. This was due to the culmination of a multi-year, multi-department effort to take more accurate laser measurements of each building, in accordance with the Building Owners and Managers Association (“BOMA”) standards (as adopted by the American National Standards Institute (ANSI)), ANSI/BOMA Z65.1-2010, Method B.

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<sup>1</sup> See Attachment A.

**New Square Footage / Lease**

The 2010 BOMA, Method B measurement standard utilizes a building-standard “load factor” percentage, multiplied by the agency’s square footage, to calculate the square footage upon which each agency’s rent is based. RES updated each Uniform Rent lease in 2021 to utilize the new laser measurements. Each tenant agency was contacted directly. In particular, the 833 Boards/4<sup>th</sup> Floor Boards had an even deeper involvement due to the shared nature of their 4<sup>th</sup> floor space.

**21-23 Rate Change**

Simultaneous with the change to square footage measurements, the Uniform Rent Rate increased (for the 21-23 biennium) by \$0.23/sf for office space and \$0.21/sf for storage space, as follows:

**Building Space – Uniform Rent Rate**

Uniform Rent recovers all building costs in DAS’ Uniform Rent office buildings, which includes building maintenance, custodial services, depreciation and deferred maintenance (to pay for construction and improvement), normal utilities, debt service, building security, recycling, landscaping and administrative overhead.

Monthly Uniform Rent Rate		
	2019-21 Rate	2021-23 Rate
Basic (per sq. ft.)	\$1.55	\$1.78
Storage (per sq. ft.)	\$0.50	\$0.71

**23-25 Rate Change**

Based on the current Governor’s Budget (which is subject to change), RES is expecting the Uniform Rent rate to further increase by \$0.22/sf for office space and \$0.33/sf for storage space, as follows:

Monthly Uniform Rent Rate		
	2021-23 Rate	2023-25 Rate
Basic (per sq. ft.)	\$1.78	\$2.00
Storage (per sq. ft.)	\$0.71	\$1.04

Based on a square footage of 7,320.5, RES anticipates that the 833 Boards’ rent will increase to \$14,641.00 for the 23-25 biennium. Further, OBPT’s rent will increase to \$2,453.00. Total rent for all shared spaces is anticipated to be \$17,094.00/month.

Sincerely,

Brady Ricks  
Manager, DAS Real Estate Services









Encs. Attachment A  
Floor Plan

**Attachment A**

<b>833 Boards – Health Related Licensing Boards</b>	<b>4<sup>th</sup> Floor Boards</b>
Mortuary & Cemetery Board	Mortuary & Cemetery Board
Veterinary Medical Examining Board	Veterinary Medical Examining Board
Board of Examiners Speech Language Pathology & Audiology	Board of Examiners Speech Language Pathology & Audiology
Occupational Therapy Licensing Board	Occupational Therapy Licensing Board
Board of Naturopathic Medicine	Oregon Board of Physical Therapy*
Board of Medical Imaging	

\*OBPT receives a separate invoice from the rest of the 833 Boards.

# Exhibit A Premises

PSOB 4TH FLOOR LEGEND		TENANT LEGEND		Sq. Ft.
	BASE BUILDING CIRCULATION	1	OREGON HEALTH AUTHORITY	12,583
	MAJOR VERTICAL PENETRATION	2	SUITE SHARED	1,605
	BUILDING SERVICE AREA	3	MORTUARY AND CEMETERY BOARDS	1,484
	BUILDING AMENITY AREA	4	BOARD OF PHYSICAL THERAPISTS	580
	FLOOR SERVICE AREA	5	BOARD OF VETERINARIANS	419
	FLOOR AMENITY AREA	6	BOARD OF SPEECH PATHOLOGY	155
	VOID	7	OCCUPATIONAL THERAPY BOARD	191
	VOID	8	NATUROPATHIC MEDICINE	416
		9	HEALTH BOARDS SHARED	737
		10		

