

Department: County Assets **Program Contact:** Scott Churchill
Program Offer Type: Internal Service **Program Offer Stage:** As Proposed
Related Programs:
Program Characteristics:

Executive Summary

The Lease Management team supplements the County's owned real estate portfolio with leased space to ensure County Departments can deliver programs and services effectively and efficiently to their clients and the community. In addition, lease management is responsible for leasing excess County building space to external clients to reduce vacancy impacts on County operations. These revenue leases supplement operations and help offset maintenance expenses. The priority is to lease to outside entities that complement existing County programs and services.

Program Summary

The Lease Management program is responsible for approximately 500,000 square feet, or 13%, of the County's portfolio. Lease Management works directly with departments to identify their space needs based upon existing and future program requirements, logistics, operating efficiencies, adjacency opportunities and schedules. Working strategically with Departments to assess future space needs, the staff identifies potential County-owned space and leasing options. The team evaluates lease requirements and space needs three to five years in advance to effectively position the Departments' needs and the overall County portfolio.

In addition, working with the Departments in assessing options, Lease Management negotiates lease terms, obtains pertinent public permits, manages landlord disputes and proactively coordinates lease renewals. The program also provides operational support including Board approvals, lease representation, documentation, administration, legal coordination and enforcement. Team members manage leases to the highest professional standards to ensure full compliance and protection of the County's interest.

To reduce vacancy rates and generate revenues that reduce overall rates, Lease Management also works with Departments to evaluate existing and potential vacant space to maximize space utilization. Excess space may be leased to external programs including community service organizations, government agencies and private entities. Various Programs are considering reducing their "Bricks and Mortar" footprint in buildings and Lease Management and Strategic Planning will support this effort by studying sublease and space use reduction options.

Performance Measures

Measure Type	Primary Measure	FY21 Actual	FY22 Budgeted	FY22 Estimate	FY23 Offer
Output	Lease abstracts completed and shared with stakeholders	N/A	N/A	45	35
Outcome	Lease renewal evaluations to be done in-house	N/A	N/A	20%	85%

Performance Measures Descriptions

PM #1 - Number of lease abstracts completed. Lease abstracts will allow minority landlords to become more competitive, property managers and operations & maintenance staff to easily identify cost responsibilities. This is a new metric.
 PM #2 - PM#2 - Leasing team to complete client assessment evaluation in house as opposed to utilizing contract services, saving County funds. This is a new metric.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2022	2022	2023	2023
Personnel	\$0	\$287,301	\$0	\$300,121
Contractual Services	\$0	\$55,419	\$0	\$57,273
Materials & Supplies	\$0	\$9,018,697	\$0	\$9,731,298
Internal Services	\$0	\$26,464	\$0	\$25,778
Total GF/non-GF	\$0	\$9,387,881	\$0	\$10,114,470
Program Total:	\$9,387,881		\$10,114,470	
Program FTE	0.00	2.00	0.00	2.00

Program Revenues				
Other / Miscellaneous	\$0	\$9,304,330	\$0	\$10,058,081
Service Charges	\$0	\$961,155	\$0	\$1,152,992
Total Revenue	\$0	\$10,265,485	\$0	\$11,211,073

Explanation of Revenues

Facilities Operating Fund programs such as this one are supported primarily by internal service revenue from County departments, with less than 5% of revenue from external customers. Revenue is budgeted to best reflect accounting system behavior for the fund, and so budgeted revenue and expense may not match for a specific program offer. However, budgeted revenue and expense for the fund balance across program offers.

Significant Program Changes

Last Year this program was: FY 2022: 78209 Facilities Lease Management

The FY 2023 Budget adds Whitaker Way and Arbor Lodge (Joint Office of Homeless Services), Multnomah County Sheriff's Office Portland Portal, EOC Operations and Arcoa (Library Bond Program) leases.