

Department: County Assets **Program Contact:** Peggidy Yates
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 departments can deliver programs and services effectively and efficiently to their clients. In addition, lease management is responsible for leasing excess County building space to external clients to reduce vacancy rates. These revenue leases supplement operations and maintenance expenses. The priority is to lease to outside entities that compliment existing County programs and services.

Program Summary

The Lease Management program is responsible for approximately 430,000 square feet, or 14%, of the County's portfolio. The Leasing Section 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 strategically 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.

Performance Measures

Measure Type	Primary Measure	FY13 Actual	FY14 Purchased	FY14 Estimate	FY15 Offer
Output	Renew critical expense and revenue leases in advance of termination.	100%	100%	100%	100%
Outcome	Lease revenue and expenses align with annual budget projections.	98%	98%	98%	99%

Performance Measures Descriptions

Annual lease administration enforcement is managed through the Facilities Lease Administration Database which tracks building data, property tax exemptions, lease expenses, lease rate adjustments, revenue reconciliation and lease renewal/termination dates. Assuring budget projections align with actual revenues and expenses ensure County program budgets reflect actual costs and decreases uncertainty.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2014	2014	2015	2015
Personnel	\$0	\$233,749	\$0	\$236,564
Contractual Services	\$0	\$10,000	\$0	\$7,000
Materials & Supplies	\$0	\$5,422,128	\$0	\$5,742,872
Internal Services	\$0	\$19,934	\$0	\$4,256
Total GF/non-GF	\$0	\$5,685,811	\$0	\$5,990,692
Program Total:	\$5,685,811		\$5,990,692	
Program FTE	0.00	2.00	0.00	2.00

Program Revenues				
Other / Miscellaneous	\$0	\$3,859,413	\$0	\$5,950,368
Service Charges	\$0	\$1,826,398	\$0	\$0
Total Revenue	\$0	\$5,685,811	\$0	\$5,950,368

Explanation of Revenues

The existing revenue leases represent approximately 70,000 square feet and \$2 million in FY 2015. The revenue is applied against operating expenses to reduce Facility rates to County Departments.

Significant Program Changes

Last Year this program was: 78010 Facilities Lease Management