

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

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 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 15%, 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.

Performance Measures

Measure Type	Primary Measure	FY17 Actual	FY18 Purchased	FY18 Estimate	FY19 Offer
Output	Proactively manage revenue and expense leases to meet occupant requirements	98%	99%	99%	99%
Outcome	Lease revenue and expenses align with annual budget projections	98%	99%	98%	99%

Performance Measures Descriptions

PM #1: 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.

PM #2: Assuring budget projections align with actual revenues and expenses ensures 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	2018	2018	2019	2019
Personnel	\$0	\$250,522	\$0	\$267,824
Contractual Services	\$0	\$125,000	\$0	\$55,000
Materials & Supplies	\$0	\$6,099,238	\$0	\$4,447,075
Internal Services	\$0	\$19,444	\$0	\$25,232
Debt Service	\$0	\$301,362	\$0	\$3,324,956
Total GF/non-GF	\$0	\$6,795,566	\$0	\$8,120,087
Program Total:	\$6,795,566		\$8,120,087	
Program FTE	0.00	2.00	0.00	2.00

Program Revenues				
Other / Miscellaneous	\$0	\$6,795,566	\$0	\$8,120,087
Total Revenue	\$0	\$6,795,566	\$0	\$8,120,087

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. Estimates reflect the amounts needed to cover actual expenses.

Significant Program Changes

Last Year this program was: FY 2018: 78209 Facilities Lease Management

The renewal of the Lincoln Building lease is the primary driver of the budget increase for this program offer. This is a capital lease with the bulk of the charges moving through the Debt Service accounts per the General Ledger technical process for posting the costs.