



**Program #78209 - Facilities Lease Management**

3/2/2021

**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 effective and efficient program delivery. The team also leases excess County space to external clients which helps offset internal service charges to County departments. These external leases prioritize outside entities that complement existing County programs and services.

**Program Summary**

Lease Management is responsible for approximately 500,000 square feet, or 13%, of the County's portfolio. Lease Management works directly with departments to identify current and future space needs, with attention to program requirements, logistics, operating efficiencies, adjacency opportunities and schedules and then identify 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 to assess options, Lease Management negotiates lease terms, obtains pertinent public permits, manages landlord disputes and proactively coordinates lease renewals. The program also provides operational support that includes 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.

Lease Management minimizes lease costs through work with Departments to evaluate existing and potential vacant space in owned buildings; and reduces internal services charges to Departments by securing and managing leases to external tenants.

To support County equity goals, Lease Management will:

- Support the Preschool for All initiative with Real Estate options when larger scale opportunities are present;
- Consider partnering with Metro affordable housing sites and Reach CDC;
- Consider prioritization of leasing from Minority owned Landlords and Corporations with similar DEI goals.

**Performance Measures**

Measure Type	Primary Measure	FY20 Actual	FY21 Budgeted	FY21 Estimate	FY22 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**

Output: 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.

Outcome: Assuring budget projections align with actual revenues and expenses ensures County program budgets reflect actual costs and decreases uncertainty.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Requested General Fund	Requested Other Funds
Program Expenses	2021	2021	2022	2022
Personnel	\$0	\$286,109	\$0	\$287,301
Contractual Services	\$0	\$55,545	\$0	\$55,419
Materials & Supplies	\$0	\$8,536,439	\$0	\$9,018,697
Internal Services	\$0	\$25,166	\$0	\$26,464
<b>Total GF/non-GF</b>	<b>\$0</b>	<b>\$8,903,259</b>	<b>\$0</b>	<b>\$9,387,881</b>
<b>Program Total:</b>	<b>\$8,903,259</b>		<b>\$9,387,881</b>	
<b>Program FTE</b>	0.00	2.00	0.00	2.00

Program Revenues				
Other / Miscellaneous	\$0	\$8,801,029	\$0	\$9,304,330
Service Charges	\$0	\$1,106,233	\$0	\$961,155
<b>Total Revenue</b>	<b>\$0</b>	<b>\$9,907,262</b>	<b>\$0</b>	<b>\$10,265,485</b>

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 2021: 78209 Facilities Lease Management

FY 2022 includes \$157K for a new Sheriff's Office Portland Portal lease, \$121K for a new Library Sorting Center lease, a \$106K increase in a renewed Department of County Human Services Cherry Blossom lease and \$192K for expanded JOHS space at the Five Oak Building.