Multnomah County					
Program #78209 - Facili	ties Lease Management			FY 2024 Proposed	
Department:	County Assets	Program Contact:	Cindy Forsyth	e	
Program Offer Type:	Internal Service	Program Offer Stage:	Proposed		
<b>Related Programs:</b>					
Program Characteristic	s:				

## 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. Lease management is also responsible for leasing excess County building space to external clients to reduce vacancy impacts on County operations. These external revenue leases supplement operations and help offset maintenance expenses, with a priority on leasing to entities that complement existing County programs and services.

## **Program Description**

The Lease Management program is responsible for approximately 600,000 square feet, or 15%, of the County's portfolio. Lease Management works strategically with departments to assess and identify future space needs based on existing and future program requirements, logistics, operating efficiencies, adjacency opportunities, schedules and County-owned space vs leasing 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 evaluates 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 across the County are considering reducing their "Brick 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							
Primary Measure	FY22 Actual	FY23 Budgeted	FY23 Estimate	FY24 Offer					
_ease abstracts completed and shared with stakeholders	N/A	35%	90%	100%					
_ease renewal evaluations and negotiations to be done n-house	N/A	85%	85%	95%					
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PM #1 - Percentage of lease abstracts completed. Lease abstracts allow minority landlords to become more competitive, property managers and operations & maintenance staff to easily identify cost responsibilities.

PM #2 - Lease evaluations and negotiations done in house; doing renewals with County staff saves County funds.

	Adopted General Fund	Adopted Other Funds	Proposed General Fund	Proposed Other Funds	
Program Expenses	2023	2023	2024	2024	
Personnel	\$0	\$300,121	\$0	\$324,923	
Contractual Services	\$0	\$57,273	\$0	\$60,205	
Materials & Supplies	\$0	\$9,731,298	\$0	\$10,603,302	
Internal Services	\$0	\$25,778	\$0	\$25,710	
Total GF/non-GF	\$0	\$10,114,470	\$0	\$11,014,140	
Program Total:	\$10,114,470		\$11,014,140		
Program FTE	0.00	2.00	0.00	2.00	
Program Revenues					
Other / Miscellaneous	\$0	\$10,056,785	\$0	\$10,954,232	
Service Charges	\$0	\$1,187,992	\$0	\$1,175,745	
Total Revenue	\$0	\$11,244,777	\$0	\$12,129,977	

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 2023: 78209 Facilities Lease Management

New leases in the FY 2024 budget include Market Street Shelter (\$460K), Macadam Building (\$423K), Rockwood Market Hall Building (\$280K), and Delta Park Warehouse (\$239K).