

**Priority:** Accountability **Lead Agency:** County Management  
**Program Offer Type:** Internal Service **Program Contact:** Doug Butler  
**Related Programs:** 72043, 72044, 72045, 72047, 72049, 72051

**Program Characteristics:**

**Executive Summary**

The Portfolio Management section provides real estate management services to the County. It is the only group that is directed to manage and analyze the County's real estate resources at a global or enterprise level. The core of the mission of the Portfolio Management section is to propose policies and strategies that reduce costs, improve building conditions, and support program delivery needs.

**Program Description**

The Portfolio Management section provides leadership, direction, and a framework for County Officials to make strategic and financially responsible real estate decisions. It manages a diverse real estate portfolio comprised of over 80 major sites and 2.8 million square feet of space. It directly supports County programs by providing strategic planning to optimize the usability of the real estate portfolio. Portfolio management collaboratively develops strategies and policies that provide a road map for real estate decision making. Portfolio Management recommends solutions to daily operational needs such as space planning, office relocations and lease administration, as well as, leads major initiatives such as the Board adoption of the Disposition Strategy and Strategic Plan.

**Program Justification**

Portfolio Management supports the Accountability Priority by developing and implementing plans and strategies that create a direct reduction in the Program's annual facility and operating costs. It is critical to the County's ability to deliver services which comprises 5% of the County's total expenditures, thus affecting the general fund. The Disposition Strategy is producing major positive outcomes that are proactively responding to the effects of the sun-setting operating expenses by reducing annual operating costs, extinguishing deferred maintenance and better utilizing our best buildings. In addition to direct cost savings, our projects enhance the quality and conditions for staff and improve the public's facilities experience. Our results are achieved by establishing close working relationships with program management, developing a thorough understanding of program service delivery models.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Reduce square footage by:	120,000	233,000	233,000	318,000
Outcome	Reduce County's annual facility operating cost	0	1,160,000	1,160,000	1,928,000
Output	Reduce number of sites by:	7	17	17	21
Output	Reduce deferred capital back log by:	0	4,797,000	4,797,000	8,620,000

**Performance Measure - Description**

The key performance measures are goals from the Disposition Strategy. Starting in FY05 and ending in FY08, we set goals all aimed at reducing the County's facilities budget. In the next three years we aim to:

- \*Reduce County operating expense by \$2.5m annual
- \*Reduce total occupied square footage by 320,000 SF or 10%
- \*Reduce the number of sites by 27
- \*Reduce deferred maintenance back log by \$10m

## Legal/Contractual Obligation

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2006	2006	2007	2007
Personnel	\$0	\$771,771	\$0	\$830,903
Contracts	\$0	\$0	\$0	\$2,500
Materials & Supplies	\$0	\$4,000	\$0	\$3,384,520
Internal Services	\$0	\$90,097	\$0	\$165,276
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$865,868</b>	<b>\$0</b>	<b>\$4,383,199</b>
Administration	\$0	\$0	\$15,740	\$231,710
Program Support	\$0	\$0	\$15,032	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$30,772</b>	<b>\$231,710</b>
Total GF/non-GF:	<b>\$0</b>	<b>\$865,868</b>	<b>\$30,772</b>	<b>\$4,614,909</b>
Program Total:	<b>\$865,868</b>		<b>\$4,645,681</b>	
Program FTE	0.00	0.00	0.00	8.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$865,868	\$0	\$1,590,000
Intergovernmental	\$0	\$0	\$0	\$670,000
Program Revenue for Admin	\$0	\$0	\$1,293	\$231,710
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$865,868</b>	<b>\$1,293</b>	<b>\$2,491,710</b>

## Explanation of Revenues

### Significant Program Changes

✔ Significantly Changed

#### Last year this program was:

Portfolio Management has significantly changed the County's real estate portfolio. One major accomplishment last year was the negotiation and implementation of the Lincoln Building lease and the exit of the Commonwealth Building. At 100,000 square feet, this project was the single largest leasing transaction completed in Portland last year. It significantly reduced operating cost and drastically improved the work environment for County employees.