

Lead Agency: Department of County

Program Contact: Peggidy Yates

Program Offer Type: Internal Service

Related Programs:

Program Characteristics: In Target

Executive Summary

The Lease Management Program optimizes space use, strategically locates County programs, and effectively manages operating expenses. The Lease Management Program team supplements the County's owned real estate portfolio with leased space to ensure departments can deliver programs and services effectively, efficiently, and in the right locations. In addition, Lease Management leases excess County building space to external clients to reduce vacancy rates in County owned facilities and reduce operations & maintenance rates to departments.

Program Description

The Lease Management program is responsible for approximately 445,000 square feet, or 14%, of the County's portfolio. Team members work directly with departments to identify space criteria based upon program needs, logistics, operating efficiencies, adjacency opportunities and time lines. As a result of department requirements, Lease Management identifies potential County owned space and available leased space to populate a Lease Evaluation Matrix that the department and County leadership can use to evaluate the most cost effective solution.

In addition to the Lease Evaluation Matrix tool, 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 the protection of Multnomah County's interests.

To reduce the vacancy rate and generate revenues that reduce departments rates, Lease Management works with departments to evaluate existing and potential vacant space. Excess space may be leased to external programs including community service organizations, food services businesses, and other government entities.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY11-12)	Current Year Purchased (FY12-13)	Current Year Estimate (FY12-13)	Next Year Offer (FY13-14)
Output	Real Estate files updated 10 days after receipt of executed documents	0.0%	98.0%	98.0%	98.0%
Outcome	Percent of leases renewed or terminated by expiration	0.0%	98.0%	98.0%	98.0%

Performance Measure - Description

Annual lease administration enforcement is managed through the Facilities Lease Information Administration Database which manages building data, property tax exemptions, expense calculations, revenue reconciliations and lease renewal/expiration dates.

Legal/Contractual Obligation**Revenue/Expense Detail**

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2013	2013	2014	2014
Personnel	\$0	\$218,516	\$0	\$233,749
Contracts	\$0	\$10,000	\$0	\$10,000
Materials & Supplies	\$0	\$5,336,503	\$0	\$5,422,128
Internal Services	\$0	\$2,676	\$0	\$19,934
Total GF/non-GF:	\$0	\$5,567,695	\$0	\$5,685,811
Program Total:	\$5,567,695		\$5,685,811	
Program FTE	0.00	2.00	0.00	2.00
Program Revenues				
Fees, Permits & Charges	\$0	\$5,567,695	\$0	\$5,685,811
Total Revenue:	\$0	\$5,567,695	\$0	\$5,685,811

Explanation of Revenues

The existing revenue leases represent approximately 70,000 square feet and represent approximately \$1.9 million in annual revenue. This revenue is applied against operating expenses and consequently reduces Facilities rates to departments.

Significant Program Changes

Last year this program was: #78010, Facilities Lease Management

As a result of the Facilities Asset Strategic Plan, the lease management team is working in conjunction with the departments to evaluate lease requirements and termination dates three to five years in advance to assess potential opportunities for consolidation and/or collaboration with internal and external partners.