BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-168

Adopting a Consolidation and Disposition Strategy for Multnomah County Facilities

The Multnomah County Board of Commissioners Finds:

a. The County's current level of funding for its buildings is insufficient to keep up with the growing list of deferred maintenance, compliance, and preventative maintenance needs.

b. Continual and escalating pressure on the County's General Fund prevents increasing the amount of facility maintenance and compliance funding beyond current levels.

c. A reduction in overall cost of the County's facilities programs will be necessary to match reductions in other programs and to correspond with reduction of revenue at the scheduled expiration of the County temporary income tax.

d. The County is making inefficient use of much of its building space. This is caused to a large extent by changes in program size and priority in combination with a lack of funding to adjust and consolidate physical space as programs change.

e. The County spends over $4.3 million per year on leases. Consolidating services to eliminate some of these leases will also reduce County costs.

f. There is a critical need for a focused plan to dispose of some of the County's properties and leases to reduce overall County cost, to reduce the County deferred maintenance liability and to improve the capacity to preserve the remaining assets.

The Multnomah County Board of Commissioners Resolves:

1. The Multnomah County Facilities Portfolio *Consolidation and Disposition Strategy* dated October, 2004 attached herein is adopted as the framework for a logical and orderly reduction in the County facilities portfolio.

ADOPTED this 18th day of November, 2004

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By

John S. Thomas, Assistant County Attorney

Multnomah County

Multnomah County Facilities Portfolio

Consolidation and Disposition Strategy

November, 2004

Prepared by:

- **Executive Committee**
- **Administrative Services Managers Group**
- **Facilities and Property Management Division**

Submitted for acceptance by:

- **Multnomah County Board of Directors**

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1. Executive Summary

The Facilities & Property Management Division (Facilities) at the direction of the County Chair was charged with leading the County in the development of a comprehensive strategy for consolidating County uses within our facilities portfolio and disposing of surplus property. The need for this strategy is based on the following:

County Funding
It is anticipated that County funding sources will continue to grow at a slower rate than requirements creating an annual shortfall. This trend will create the need to cut General Fund expenditures by as much as $8 million in each of the next several years. Just as significantly, the current temporary income tax (iTax) will sunset on June 30, 2006 which will create an immediate and permanent annual shortfall of an additional $30+ million! [NOTE: An initiative effort has been successful in putting a measure on the November 2004 ballot which would repeal the iTax, creating the anticipated shortfalls 18 months earlier in January 2005.] Both of these circumstances will create a need to cut programs/services which, in turn, will result in facility vacancies and reduced utilization of County facilities. To address this situation, it is mandatory that the County develop a strategy for downsizing its building portfolio.

Portfolio Size
Multnomah County's 120+ structures – approximately half of which are owned – average only 24,000 Sq Ft/Bldg compared with a regional government building average of 199,000 Sq Ft/Bldg. Having a greater number of small buildings increases maintenance costs since every building has separate heating/cooling systems, roofs, etc. While the nature of many County services – such as neighborhood libraries – would cause some deviation from the norm, there appears to be a significant opportunity to decrease the County building count and improve our building maintenance efficiency.

Maintenance and Reliability
The current $39 million+ Facilities budget permits limited preventive maintenance work – currently about 8% of our total work requests vs. an industry standard of up to 30%. In addition, the Capital Budget only permits scheduling timely capital equipment replacement in the 28 "Tier 1" buildings which are in good condition and separately funded. All of our remaining facilities are managed on a "run to failure" policy where we address only emergencies or eminent life/health/safety issues simply because there is no funding to do otherwise. This is not a good strategy for the County since fixing failures is much more expensive in the mid-to-long term than preventing them and it includes an added risk of unscheduled closures due to system failures.

Space Utilization
The current County facility portfolio has grown and changed over the years to accommodate program needs, opportunities and funding levels. Cuts in response to funding constraints totaling more than $60 million during the past 5 years have led to reductions in staff and the elimination of programs. The result of these dynamics is that

the County has numerous facilities that appear to be under-utilized. Because it can be expensive to consolidate and reconfigure space in order to maximize the use of every square foot, the pace of this work has been far slower than the need/opportunity. If resources can be identified to cover the cost of consolidation, there is a significant opportunity to improve space utilization and cut facilities costs.

Deferred Capital Backlog

As described previously, current limited funding increases the risk of system failures and unplanned closures. Of equal concern is that our buildings are deteriorating and the backlog of needed capital maintenance work grows a little larger each year. The current backlog (including needed seismic upgrades) totals more than $120 million. About $80 million of this total is due to problems with the Courthouse and Justice Center which are being addressed through a separate effort. This still leaves the County with a $40 million backlog and no short-term means of addressing it. A thoughtful disposition strategy could help eliminate some of the County's worst buildings and begin to address this backlog.

The Consolidation and Disposition Strategy is intended to:

- Improve the County's utilization of space within its facilities in order to reduce the cost of housing the County's activities
- Reduce the number of County buildings in order to reduce the extra costs of operating many small buildings (improve efficiency)
- Dispose of surplus County facilities in order to:
    - Reduce facilities operating costs
    - Avoid needed capital expenditures in substandard buildings and reduce the capital maintenance backlog
    - Generate potential funding to cover the costs of consolidation
    - Generate savings and one-time funding to address both General Fund shortfalls and continuing facilities capital and operations needs
    - Return unneeded County property to the tax rolls.
- Maintain the County's low vacancy rates within its facilities portfolio even as the County experiences significant downsizing. [NOTE: This is a mid- to long-term objective. It is anticipated that the process of consolidating space will create vacancies in the short-term that will then be eliminated as the portfolio is reduced.]
- Improve the County's capacity to care for the buildings within its portfolio by:
    - Eliminating some higher cost and uneconomical buildings
    - Using a portion of the savings/proceeds to fund critical capital maintenance work
    - Reducing the facilities portfolio to a size that permits a more prudent amount of preventative and compliance maintenance given current staffing and resources

Using guidance from the Board during the FY05 Facilities Budget discussion, Facilities outlined a concept and mapped out a more detailed strategy with the Executive Committee over the spring and summer. Following the direction set by the Executive Committee, Facilities and the Administrative Service Managers (ASMs) worked together to identify potential dispositions and to map a strategy for achieving desired outcomes.

We chose over 65 buildings to analyze in detail and convened two all day meetings with the ASM's in July to rate each of the buildings on 12 dimensions to determine which ones were the top candidates for disposition. The ASM's and Facilities then ranked the buildings based on disposition potential and by consensus reached a recommendation for disposition of 24 buildings to present to the Board. An additional 14 buildings were identified as potential candidates worthy of further study. In the next 90 days, it is anticipated that additional buildings will be recommended for disposition from this list of potential buildings.

Specific strategies are outlined in this document to address the management of this effort, communication procedures, financial management, specific site strategies, disposition procedures and strategies, procedures for managing the resulting moves, adds, and changes (MACs) needed to physically reconfigure space, etc.

In order to quantify the objectives and to track progress toward their accomplishment, four benchmarks were established for this strategy. For informational purposes, the specific disposition recommendations included in this strategy have been quantified to show how far they would go toward the accomplishment of our goals.

	Target Amount	Amount Achieved	% of Goal
Reduce Portfolio Square Footage by 10%	320,000 sf	326,000 sf	**102%**
Reduce Sites by 25%	27 sites	24 sites	**89%**
Cut Operating Expenses by $2.5 million/yr	$2,500,000	$2,100,000	**84%**
Reduce Capital Backlog by $10 million	$10,000,000	$8,800,000	**88%**

Proposed Project Scope

Proposed scope for this project encompasses three major phases for each property to be disposed. Timeframes will occur at different times based on the Site Strategies, market conditions and other variables for each property.

Project Phases:

- Identify properties that can be disposed
- Develop site strategies for each property in collaboration with County tenants
  - Begin Disposition of each property as options become available
  - Identify relocation/consolidation options for County tenants
- Execute relocations and consolidations

The entire Disposition Strategy is projected to occur over a two-to-three year timeframe depending on external and internal variables. A proposed "Surplus Property Policy" process is being developed for Board consideration to assist with external interface.

The Executive Committee, the Administrative Services Managers, and the Facilities and Property Management Division jointly recommend this strategy for adoption.

2. The Need for Consolidation

a. County Funding

Projections show that County funding sources will grow at a slower rate than requirements creating an annual shortfall. This trend will create the need to cut General Fund expenditures by as much as $8 million each year in Fiscal Year 2006 and beyond. This situation follows a four year period in which this constraint condition required cuts of approximately $61 million.

Just as significantly, the County's current temporary income tax (iTax) will sunset on June 30, 2006 which will create an immediate and permanent annual shortfall of an additional $30+ million! Compounding the impact and uncertainty from the loss of this funding is the fact that an initiative effort has been successful in putting a measure on the November 2004 ballot to repeal the iTax immediately. If successful, this measure would repeal the iTax and create the anticipated shortfalls 18 months earlier in January 2005.

Both of these circumstances will create a need to cut programs/services, which, in turn, will result in vacancies and reduced utilization of County facilities. This will only exacerbate the continuing challenges to provide safe, reliable, appropriate, and accessible facilities to house the County's programs and services.

These funding challenges have already resulted in a number of actions and conditions that affect the long-term reliability and efficiency of the facilities in the County's portfolio:

- An average reduction of $1 million per year in facilities expenditures in each of the past 5 years including a reduction of more than $1 in direct client services (janitorial, carpet cleaning, etc.)
- Insufficient preventative maintenance
- Inability to keep pace with escalating building/occupancy code compliance requirements
- A large and growing deferred maintenance/seismic backlog
- Inability to reconfigure space and adjust the portfolio as funding and program needs change resulting in the ineffective use of building space

In the past it was always assumed that the only way to address this situation was to increase facilities expenditures. In fact, bond financing was approved about five years ago to address some of the most urgent capital needs in County buildings. While helpful, this bond funding did not address the underlying causes of the facilities problems. In addition, the continuing reductions in County funding have meant that it was simply not realistic to provide additional funding to support the facilities portfolio. Clearly, a change in approach is needed.

This Strategy offers a new paradigm:

Multnomah County is living beyond its facilities means.

Rather than assuming we need to find more funding in order to address our facilities problems, this Strategy looks for ways to change our approach to one that allows us to properly care for our facilities using currently available resources. The first and most obvious means of achieving this objective is to downsize the County building portfolio.

Approximately 80% of the County facilities budget is fixed relative to buildings. In other words, the only way to achieve reductions in these costs is to reduce the amount of space we occupy. Debt, utilities, leases, capital maintenance, etc. continue as long as the County is responsible for the space. In addition, marginal reductions in maintenance and repair will lead to unplanned failures and problems which usually cost more to address in the long run than the amounts saved in the short run. Doing more with less and being as efficient as possible is clearly a worthy objective and an operating principle within the Facilities Division. It alone, however, cannot solve the fundamental problems we face. Only consolidation and disposition can address those problems.

b. Portfolio Size

Multnomah County occupies more than 120 structures. Approximately half of these buildings are owned while the other half are leased from other private, non-profit, and government owners. These facilities are widely dispersed geographically throughout the County and include a number of highly specialized structures like jails, a courthouse, and libraries.

In order to maximize client access and improve service delivery, the County has historically established many small sites throughout the area. While attractive from a service delivery perspective, this policy has a significant impact on costs. In addition, facilities decisions were largely driven by the County programs (which provided the required funding) in the past. This led to many decisions being made in relative isolation and, in part, is the reason the County has shifted more recently to central management of the facilities portfolio. From this central perspective, it is now possible to consider the potential co-location or consolidation of a variety of programs with virtually no loss of function or accessibility.

As a result of the trends described above, the County's owned facilities average only 24,000 square feet/building. This compares (according to the Building Owners and Managers Association) with a regional government building average of 199,000 square feet. [NOTE: this comparison is inflated because the BOMA survey relies heavily on larger Federal buildings but is still felt to be illustrative of the County's problem.] Having a greater number of small buildings increases maintenance costs dramatically since every building has separate heating/cooling systems, roofs, building envelopes, etc. It takes many more service calls to care for these multiple systems than it would to service fewer and larger systems. It also increases travel (unproductive) time significantly.

While the nature of many County services would make co-location more challenging or impractical, there appears to be a significant opportunity to decrease the County building count and improve our building maintenance efficiency.

c. Maintenance and Reliability

The current Facilities budget permits limited preventive maintenance work. Currently about 8% of the total work requests in Facilities are for preventive maintenance work. This compares with suggested industry standards that range up to 30%.

In addition, the Capital Budget only permits scheduling timely capital equipment replacement in a limited number of facilities. The County has designated 28 of its facilities as "Tier 1" buildings. These buildings are in good condition and funded separately from the other facilities. Assuming an average annual increase of 8% in the "Asset Preservation" fees that are charged to occupants in these buildings, these buildings are projected to be able to fund all required capital replacement needs for the next 15 years.

In contrast, all of the remaining facilities are managed under a "run to failure" policy where only emergencies or eminent life/health/safety issues are addressed simply because there is insufficient funding to do otherwise. This is not a good strategy for the County since fixing failures is much more expensive in the mid- to long-term than preventing them and it includes an added risk of unscheduled closures due to system failures.

This situation is further complicated and the risks of unplanned closures is increased by the significant increase in regulations and standards and the increased enforcement of these regulations and standards during recent years. Testing and servicing requirements have increased substantially as a result. Training and licensing requirements are increasing notably and documentation needs have increased dramatically. Obviously, this results in the identification of more deficiencies than were detected previously and the required remediation pushes costs up. Failure to comply with these regulations can result in fines (which are also increasing) and, in some cases, building closures.

With careful planning, the consolidation and disposition of facilities can emphasize the elimination of those structures that are the most difficult to maintain and which have the highest risk of unplanned closures. This process could conceivably also improve the ability to address the needs of the structures that remain in the portfolio.

d. Space Utilization

The current County facility portfolio has grown and changed over the years to accommodate program needs, opportunities and funding levels. In fact, the County has grown over the past 15 years from 53 to 120+ buildings – a 126% increase – and from 1.3 million to 3.2 million square feet of space – a 146% increase. Most recently, however, cuts in response to funding constraints totaling more than $70 million have led to reductions in staff and the elimination of programs.

The result of these dynamics is that the County has numerous facilities that appear to be under-utilized. Because it can be expensive to consolidate and reconfigure space in order to maximize the use of every square foot, the pace of this work has been far slower than the need/opportunity.

The effort to consolidate County programs into less space and to dispose of surplus property will generate both one-time proceeds from the sale of property and on-going operational savings. If portions of these resources are targeted to cover the cost of consolidation, there is a significant opportunity to improve space utilization and cut facilities costs.

e. Deferred Maintenance Capital Backlog

As described previously, current limited funding increases the risk of system failures and unplanned closures. Of equal concern is the fact that our buildings are deteriorating and the backlog of needed capital maintenance work grows a little larger each year. The current backlog (including needed seismic upgrades) totals more than $120 million. About $80 million of this total is due to problems with the Courthouse and Justice Center which are being addressed through a separate effort. This still leaves the County with a $40 million backlog and no short-term means of addressing it.

It is important to remember that this is not just a theoretical problem. Each time needed replacement or overhaul is delayed, the risk of a system failure increases. Eventually the day will come when the system does fail and it must be addressed on an emergency basis – at a greater cost and at the expense of other activities that were previously thought to be of greater import. If you do not install a new roof when it is needed, the old one will eventually leak. It isn't a question of "if"; the only question is "when".

One of the most effective means of addressing this backlog is to target some of the County's worst buildings for disposition. This approach can potentially reduce the backlog significantly without requiring additional funding.

3. General Strategy

a. Underlying Principles

Given the clear and compelling need to manage the County portfolio differently and, in specific, to reduce the amount of space and the number of sites, this Strategy was developed with the following objectives in mind:

- Promotes active stewardship/allocation of county assets
- Assures a countywide perspective when making facilities and real estate decisions
- Reduces facilities operating expense
- Enhances program operations
- Fosters FPM effectiveness
- Addresses underlying causes of current portfolio problems

b. Strategy Objectives

The Consolidation and Disposition Strategy is intended to:

- Improve the County's utilization of space within its facilities in order to reduce the cost of housing the County's activities.

- Reduce the number of County buildings in order to reduce the extra costs of operating many small buildings (improve efficiency).

- Dispose of surplus County facilities in order to:
    - Reduce facilities operating costs.
    - Avoid needed capital expenditures in substandard buildings and reduce the capital maintenance backlog.
    - Generate potential funding to cover the costs of consolidation.
    - Generate savings and one-time funding to address both General Fund shortfalls and continuing facilities capital and operations needs.
    - Return unneeded County property to the tax rolls.

- Maintain the County's low vacancy rates within its facilities portfolio even as the County experiences significant downsizing. [NOTE: This is a mid- to long-term objective. It is anticipated that the process of consolidating space will create vacancies in the short-term that will then be eliminated as the portfolio is reduced.]

- Improve the County's capacity to care for the buildings within its portfolio by:
    - Eliminating some higher cost and uneconomical buildings
    - Using a portion of the savings/proceeds to fund critical capital maintenance work
    - Reducing the facilities portfolio to a size that permits a more prudent amount of preventative and compliance maintenance given current staffing and resources

c. Current Conditions

Portfolio Characteristic	Challenge
Relatively low vacancy rate	Relocations are more difficult and time consuming
Inefficient space utilization	Space standards inadequate and not followed
High own vs. lease ratio	Less liquidity and flexibility
No funding to consolidate & improve space utilization	Must create immediate savings to cover cost of moves & improvements
More, smaller facilities	Higher maintenance and capital costs
Specialized improvements	Less flexibility
Facilities deteriorating and maintenance under funded	Greater occurrence of emergency repair; poor quality environment for staff/clients

d. General Approach

Building on the Objectives outlined above, a process was outlined for developing specific recommendations. The major steps in that process include:

1. Assessing usefulness and cost to bring current facilities to maintainable state.
   A detailed summary of all relevant data for each building was compiled to support this assessment.

2. Assessing current and future County program needs.
   Senior management of each Department was consulted to develop a baseline understanding and then Department personnel were included in the ranking process.

3. Ranking each facility to identify disposition candidates.
   Objective criteria (discussed in the next Chapter) were used to accomplish this ranking.

4. Creating a list of proposed properties for disposition.
   A detailed discussion of each disposition candidate considered whether community commitments, building characteristics, legal obligations, or other considerations would preclude its consideration for disposal.

5. Creating a more detailed project plan for the implementation of this Strategy.
   The key elements of this project plan and an outline of each element is discussed later in this document.

6. Complete dispositions by July 1, 2006.
   This is a very aggressive deadline that will be impacted by a number of factors that are not fully controllable. In order to contribute to the solution to the loss of the iTax, it was felt that everything possible should be done to try to meet this deadline.

e. Timing/Approval Process

Spring 2004	Board & Exec. Comm. Discussions	Define problem and identify key strategies
Summer 2004	Outline Strategy and develop supporting data	Develop Strategy outline and begin addressing key issues
7/8	ASM/Facilities Planning #1	Identify disposition candidates
7/15	ASM/Facilities Planning #2	Identify target dispositions and outline project plan
8/5	ASM weekly meeting	Exec Committee Preparation Review
8/11	Exec. Comm. Mid-Course Review	Review results of work to date & insure consensus
8/24	Board Staff Briefing	Strategy briefing and discussion of Board review process
10/5	Board Briefing	Consideration of Strategy and related recommendations
TBD	Board Approval of Resolutions	Formal adoption of Strategy, declaration of "surplus" for dispositions, and approval of related processes

4. Evaluation Process

a. General Process

Facilities (with CRESA Partners, its disposition consultant) and the Administrative Service Managers (ASMs) worked together to create an initial list of properties which are recommended for disposition. It is anticipated that this initial list will be supplemented with additional recommendations at a later date after further analysis is completed.

The process used to generate this recommended disposition list involved the following steps:

1. A number of properties were identified that should not be included in the assessment process. These properties are listed in Appendix C of this document and were not included in the assessment if:
   a. It is clearly a facility to be retained (e.g., Central Library and Inverness Jail);
   b. It is ancillary to a building that is being assessed (the primary building will determine what should happen to the ancillary building);
   c. It is felt that long-term program or community commitments, legal obligations, etc. would preclude disposition consideration.

2. Data was accumulated on each of the properties that were to be included in the assessment. In addition, senior management of each Department were consulted to develop a baseline understanding of on-going program needs.

3. A scoring spreadsheet was developed for evaluating each individual property. This scoring spreadsheet is described in more detail below and the initial scores assigned to each building are summarized at Appendix A.

4. The group held two full-day planning sessions to accomplish the required assessment.
   a. Day 1 focused on refining the scoring system, evaluating the 65 candidate buildings and scoring each of these buildings against the identified criteria.
   b. In Day 2, the group discussed the resulting rankings for each of the identified buildings in detail and determined whether to recommend disposition, further study, or no further consideration for each. [NOTE: a number of policies, procedures, and issues related to the implementation of this Strategy were also discussed on Day 2. The results of those discussions are reflected in later Chapters of this document relating to the Project Plan.]

5. The resulting recommendations are summarized below.

b. ASM Charette Participants

District Attorney	Scott Marcy
Community Justice	Shaun Coldwell
Health	Carol Ford
Human Services	Stevie Bullock, Al Stickel
Business & Community Services	Robert Maestre
Office of School & Comm. Partnerships	Kathy Tinkle
Sheriff Office	Christine Kirk, Sharie Lewis
Library	Becky Cobb
Budget	Bob Thomas
Finance, Budget, Assm't. & Taxation	Mindy Harris
Business Services	Dan Kaplan, Rich Swift
FPM Facilities & Property Mgmt	Doug Butler, Matt Newstrom, Wanda Yantis, Jon Schrotzberger, Steve Pearson, Lynn Dingler, Colleen Bowles
CRESA Partners	Mike Cook, Pat Cook, David Reinhart

c. Rating Process Objectives

To begin the process of evaluating the County's facilities, five objectives were identified for the rating system:

1. The ratings should balance the following factors:
    a. Facility Costs
    b. Building Condition/Needs/Characteristics
    c. Program Suitability
    d. Opportunity (for Disposition)

2. The system should allow a blending of solid data with subjective assessments.

3. The ratings should provide an agreed foundation for developing disposition recommendations to the Board.

4. Process should apply equally to all properties, but with the ability to withdraw properties from the list that have a clear County mandate to be retained.

5. Recommendations must be implementable.

d. Facilities Rating Factors

The following chart summarizes the rating system which was used to evaluate County buildings.

1. Each building was rated against the 12 characteristics listed below. A score of 1, 2, or 3 was assigned to each of these factors based on the criteria that are summarized in the right-hand column of the table.
2. A weight (importance factor) was then defined for each characteristic and the score for each characteristic was multiplied by the assigned weights.
3. The results were then totaled for each building to create a score for that building.
4. The buildings were then ranked from lowest to highest scores with the lowest scores considered as the best candidates for disposition. The detailed results of this scoring are summarized at Appendix A.

		Weight	1=consider if	3=keep if:	Explanation
Cost	Cost/SF	20	high	low	Includes total cost including all costs that would be eliminated by disposition of the facility - operating costs, debt reduction, repairs and maintenance.
	5 YR Cap Rqmt / MV	10	high	low	Percent of value that could be captured in a sale. Total cost including all costs that would be eliminated by disposition of the facility - operating costs, debt reduction, repairs and maintenance
Building	Space Utilization	10	poor or vacant	good	Space use efficiency as judged by programs subjectively (sq. ft./fte provided but not relied on because of anomalies).
	Flexible Layout	5	inflexible	flexible	Easily allows for current program needs and adjustments for other program needs
	Costly to Move/ Recreate	10	easy	costly	Rates to specialty improvements impediments to relocation potential
	Marketability & Exit strategy	5	has ready market	not marketable	Rates building type, readiness to market, and building setting
Program	Proximity to public transit	10	limited transit	multi line transit	Rates advantages of multi-line access
	Functionality for current use	10	inadequate	good	Current functionality for current or intended program needs
	Program Funding Confidence	10	potential reductions over 5 yrs	expect 5yr at same level	Addresses 5 year funding expectations
	Location Functionality	10	if existing site not critical	existing site critical	Rates location sensitivity to any move of program/tenant that might impede service, client access or interprogram synergies.
	Co-location w/other programs	10	hard fit with others	potential fit with others	Rates compatibility/incompatibility to consolidate with other groups
	Opportunity	15	opportunity next 2 yrs	no opportunity	Current vacancy, lease termination, or market interest in site

NOTE: A number of properties were not included in the assessment process if: 1) There were obvious and compelling reasons they should be retained; 2) they are ancillary to a building on the list; or 3) retained due to long-term program/legal commitments. See Appendix C for detail.

e. Disposition Recommendation

Once all of the buildings were assigned a score and ranked in order of that score, a detailed discussion considered what should be recommended for disposition. Each building was considered individually and was assigned to one of three categories:

1. Yes	site is clearly agreed as a good target for disposition
2. No	site should not be considered for disposition
3. Further Study	all others

NOTE: Further analysis and strategy development is underway to address each of the building designated for "Further Study" and a future planning session will be scheduled to discuss each of these buildings in detail. It is anticipated that additional disposition recommendations will result from this effort.

5. Selection Results

(See Appendix B for detailed scoring)

a. Recommended Dispositions

Bldg #	Building	Sq Ft	Savings	Def. Mtnc.		Address
315	State Medical Examiner	10,928	100,831	433,000		301 NE Knott St
393	Peninsula	7,285	99,659	323,000		7220 N Lombard St
149	Tri-County Crisis	2,204	34,356	0		4850 SW Scholls Ferry Rd
436	Powell Villa (DSO)	6,865	114,292	0		3552 SE 122nd Ave
454	Rockwood Neigh. Health	3,654	78,208	0		800 SE 181st Ave
465	Wikman Building	5,171	50,394	269,000		4420 SE 64th Ave
331	MCCF	23,023	127,206	769,000		1906 SW Halsey St
245	Dexco Building	8,661	150,636	0		727 NE 24th Ave
106	Portland Building-14	18,772	380,229	0		1120 SW 5th Ave
340	Marlene Building	8,325	97,271	0		1027 E Burnside St
226	North Disability Services	10,311	199,209	0		4925 N Albina Ave
339	East Portland Comm. Ctr.	490	400	0		740 SE 106th Ave
303	South Powellhurst (ASD)	21,610	212,906	0		2900 SE 122nd Ave
313	Hansen Building	46,181	246,274	2,615,000		12240 NE Glisan St
358	Hooper Memorial Center	16,599	116,181	686,000		30 NE MLK Jr Blvd
462	Public Safety/School Bldg	1,432	7,250	0		1333 NW Eastman Pkwy
412	Morrison	34,660	83,477	3,659,000		2115 SE Morrison St
698	Montavilla Bldg	4,702	0	0		211 SE 80th Ave
	Subtotal FY05 and Beyond	**230,873**	**2,098,779**	**8,754,000**		
	Closed Prior to FY05					
109	ADS DSO West Branch	7,560	0	0		
276	Anchor Park	3,005	0	0		
278	Columbia Villa Health Field Nursing	1,125	0	0		
400	Gresham Neighborhood Center	24,626	0	0		
421	Ford	52,143	0	0		
433	DSO SE Portland Branch	7,376	0	0		
	Subtotal Closed Prior to FY05	**95,835**	**0**	**0**		
	Total Dispositions	**326,708**	**2,098,779**	**8,754,000**		

b. Recommended for Further Study

Bldg #	Building	Sq Ft	Approx Savings	5 Yr Def. Mtnc.	Score	
155	**Martha Washington (MCRC)**	65,189	385,973	5,464,000	265	
160	**Gladys McCoy Building**	98,318	1,488,205	13,399,000	260	consolidation possibility
161	**Mead Building**	76,545	1,255,799	6,526,000	270	
166	**Commonwealth Building**	110,372	1,704,931		245	consolidation possibility
304	**Mid-County District Office**	4,972	70,247		260	could combine w/481
327	**Penumbra Kelly Building**	18,484	322,518	1,783,000	245	
338	**Baltazar Ortiz (La Clinica)**	7,738	272,221		260	
356	**King Neighborhood Fac.**	3,280	35,187		235	
407	**Gresham Probation**	4,054	55,338	291,000	255	
420	**Southeast Health Clinic**	23,386	439,876	1,743,000	240	consolidation possibility
446	**Bridge Shops**	18,360	104,395	774,000	275	
455	**John B Yeon Annex**	21,630	666,946	0	235	consolidation possibility
481	**Central Probation**	7,618	62,807	995,000	255	could combine w/304
999	**Portland Building-15**	18,750	380,255		285	

c. Not Recommended for Disposition

Bldg #	Building	Score
101	Multnomah Cty Courthouse	270
119	Justice Center	305
151	Cascade Plaza OAME Ctr	280
219	Gazelle House	275
221	Columbia Pacific (PBNO)	275
274	Blanchard Service Center	260
311	Juvenile Justice Complex	295
312	Vector Control	325
314	Inverness Jail	285
317	Library Administration	290
322	Walnut Park	275
324	Animal Shelter	250
325	North Portland Hlth Clinic	270
360	Womens Transition 1	275
365	Womens Transition 2	275
366	Womens Transition 3	275
406	Gresham District Court	295
409	Tabor Square	270
414	Elections Building	330
423	Rockwood Fmeyer	275
425	John B Yeon Facility	290
430	Mid-County Health Center	255
437	Multnomah County East	275
439	GCC MDT Building	285
444	Towne Building	285
447	St. Francis Dining Hall	285
448	GCC Service Bldg	265
451	GCC Resid. Bldg	300
473	YWCA Downtown Center	290
503	Multnomah Building	265
504	Multnomah Bldg Garage	315
617	Title Wave Bookstore	280

NOTE: A number of properties were not included in the assessment process if: 1) There were obvious and compelling reasons they should be retained; 2) they are ancillary to a building on the list; or 3) retained due to long-term program/legal commitments. See Appendix C for detail.

6. Progress Towards Benchmarks

Assuming disposition of all of the recommended properties, the following results will be achieved relative to the targets which were established for this effort. (The properties identified for further study will likely add more properties to the list recommended for disposition and will therefore help in the achievement of all of the targets.)

Reduce the Total Space Occupied by the County by 10%

326,000sf of 320,000sf targeted (102%)

Reduce the Number of Sites Supported by the County by 25%

24 of 27 targeted (89%)

Reduce County's Annual Facilities Expenses by $2,500,000

$2,100,000 of $2,500,000 targeted (84%)

Reduce County Deferred Maintenance Backlog by $10,000,000

$8,800,000 of $10,000,000 targeted (88%)

7. Project Plan

a. Project Management/Risk Assessment

1. Next Steps
   a. Obtain Board Approval for the following Resolutions:
      i. Approving the Consolidation and Disposition Strategy
      ii. Declaring the Recommended Disposition Properties as "Surplus"
      iii. Adopting a "Surplus Property Policy" Process for Disposal of Owned Property
   b. Create a Work Group for Each Disposition to Develop and Implement a Project Plan for that Consolidation/Disposition Effort
   c. Implement a Communications Strategy to Keep Decision Makers, Stakeholders, Other County Staff, and the Public Informed
   d. Reassign Facilities Staff and Implement a Moves, Adds and Changes (MACs) Strategy to Accomplish the Physical Work of Consolidation
   e. Develop and Implement Lease Negotiation and Sale/Transfer Strategies for each Disposal Property
   f. Complete Assessments of Properties Identified for "Further Study" and Hold a Planning Session with ASMs to make Final Disposition Recommendations

2. Roles and Responsibilities

Set Targets	ASM/Execs/Board
Develop Site Strategies	Site Work Group (for each disposition)
Implementation	Facilities
Final Authorizations	Board action required

3. Facilities & Property Management Responsibilities

   - Draft Disposition Strategy, Project Plans, and Required Resolutions
   - Provide Decision-Maker Briefings
     - Monthly ASM updates
     - Quarterly Executive Committee updates
     - Semi-annual Board updates
   - Develop, Staff, and Lead Workplans for Each Disposition Site
   - Manage the Physical Consolidation Work for Each Site

4. Project Management

   An undertaking of the magnitude outlined in this Strategy requires full-time project management. The requirements of shepherding dozens of variables and changing circumstances and of working with stakeholders and decision-makers to resolve problems and remove roadblocks are monumental. In addition, the extremely short timelines demanded for this effort require a strong sense of urgency and careful coordination to achieve the desired outcomes.

   A full-time Project Manager will be appointed by Facilities to provide the required leadership for this project. An existing vacant position and resources within Facilities will be used for this purpose. It is anticipated that this will be a 2-3 year assignment and the person appointed to this role will serve as a member of the Facilities Management Team during that period to provide the needed access and emphasis as well as to facilitate needed coordination with Facilities.

5. Risk Assessment

   The results of this effort will be heavily impacted by a number of variables which cannot be controlled directly. Among these variables are uncertainties about:

   a. the timing of County funding shortfalls
   b. the specific impacts of appropriation reductions on individual programs and facilities
   c. community response to individual disposition proposals
   d. owner/landlord responses to proposed lease termination settlements
   e. market response to sale offers for the surplus properties
   f. currently unidentified conditions in disposition properties which require remediation or affect values.

   These uncontrollable variables could potentially have large impacts on the timing and total achievements of this effort. Some of the risks that are created by these uncertainties are outlined below:

   a. Delays in the sale or termination of leases after a property has been vacated may cause short-term increases in vacancy costs.
   b. Changes in program funding and requirements once disposition strategies have entered implementation could disrupt planned outcomes and/or necessitate costly remedial work.
   c. The simultaneous implementation of multiple disposition strategies may create extra complications and expense as well as potential program disruption.
   d. Competing demands and priorities on decision-makers could delay needed decisions and there impede progress on the implementation of this Strategy.

Assertive, professional management and a strong communication plan should permit the management and mitigation of most of these risks. In the end, it is difficult to commit absolutely to specific results by specific dates. The need for making the effort is clear, however, and potential for savings and efficiencies seem to far outweigh any related risks.

b. Site Strategies

As required, a separate work group will be established for each planned disposition. These work groups will be composed of a core group of Facilities, IT, Telecom, Finance and other individuals and supplemented with Department personnel from each of the affected organizations (either relocating from the Disposition Building or receiving activities from that Building).

Each work group will be responsible for developing a strategy, a work plan and timeline, a budget, Surplus Property Policy plan implementation, required interfaces, and for proposing solutions for potential roadblocks and issues.

Developing Site Specific Strategies

The development of the specific site strategies will be generated by a Dispositions Work group. The work group will be modeled after an ICS structure and will include team leaders (see attached org chart) from all of the major components of a disposition. The work group will be chaired by an incident commander, project manager or chair person who will be responsible for reporting out to the overall project manager of the Disposition/Consolidation project. Discipline resources will be assigned to the discipline leads.

Work Group Components

- Finance/ Fiscal Plan
- Surplus Property Policy process
- Communications
- Dispositions/Lease exit strategies
- MACS

Roles and Responsibilities

Finance/ Fiscal Plan – Steve Pearson

- Define requirements
- Identify funding sources
- Define ongoing impacts

Surplus Property Policy process (Surplus Property) – Rich Swift

- Define routine process to easily market and sell owned facilities
- Develop communication plans with BCC, community and other stakeholders

Communications – Trink Morimitsu

- Meetings and updates

- Routine updates to County occupants
- Public updates

Dispositions/Lease exit strategies – Lynn Dingler/Mike Sublett

- Market and sell owned facilities
- Negotiate exit strategies with building owners

MACS – Matt Newstrom

- Space planning and scenario building
- Construction and MAC management
- Portfolio review and assessment

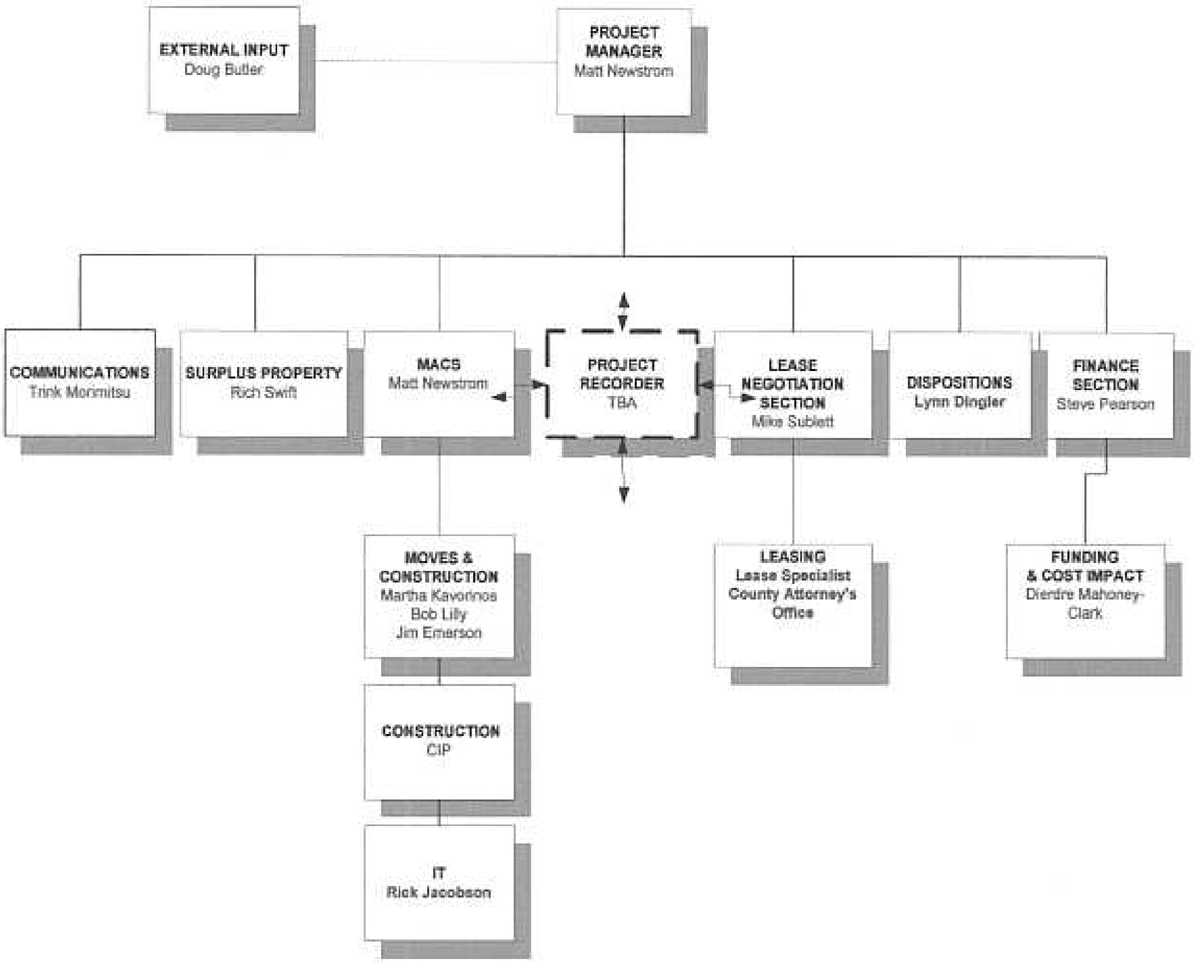
Team Member Roles and Responsibilities

Project Sponsor – Overall management oversight of the Disposition Project.

Project Manager – Responsibility for the forward momentum of the Work Group and Disposition Project. Identify and remove barriers for the team.

Team Lead – Responsible for escalating barriers and needs, communicating updates up to the Work Group chair and down to team resources. Directing and monitoring the work of the team resources

DISPOSITION TEAM STRUCTURE



Overview of the Yeses

State Medical Examiner - Disposition

The State is set to vacate the space in October of this year. The building ranked the lowest on the ranking sheet and there are no other apparent internal uses for the building. It is assumed the strategy for this building will focus on vacation and sale.
Work Group Requirements: Surplus Property, Disposition, MACs, Finance, Communications

Peninsula - Disposition

The Peninsula Building has already been identified as a surplus property. Currently the HAP is leasing the building from the County and will likely need to vacate it in about one year. It is assumed that the strategy for this building will focus on a sale.
Work Group Requirements: Surplus Property, Disposition, Finance, Communications

Hansen Building – Disposition
The Hansen Building has long been identified as potentially surplus. The Sheriff's Offices in the building must be relocated to new facilities (presumably in conjunction with East County courts). Current efforts of a Board work group to create this new facility are hoped to provide an opportunity to dispose of the Hansen Building. It is assumed that the strategy for this building will focus on relocation to a new building and sale.
Work Group Requirements: pending Courthouse workgroup results

MCCF and Edgefield Property – Disposition
The Correctional Facility and surrounding undeveloped property has long been identified as potentially surplus. The Sheriff is prepared to relocate operations to the Inverness Jail upon sale of this property. It is assumed that the strategy for this building will focus on relocation to Inverness and sale.
Work Group Requirements: Surplus Property, Disposition, MACs, Finance, Communications

Tri-County Crisis - Lease
The Tri County lease is set to expire 12/31/04. We are actively researching other County occupied space with the Tri County staff. The assumed strategy for this building is relocation to another County facility and allowing the lease to expire.
Work Group Requirements: MACs, Finance, Communications

Powell Villa - Lease
It is believed that the activities at this location could be relocated to Multnomah County East. The lease does not expire until 4/30/07. It is assumed that the strategy for this building will be relocation to MCE and a negotiated lease termination.
Work Group: MACs, Leasing, Finance, Communications

Rockwood Health Clinic - Lease
Most of the programs that were located in the RHC have already been relocated to the Multnomah County East Facility. The lease is set to expire 8/31/05. If the ITAX is repealed, this building should be considered for an early termination strategy.
Work Group: MACs, Leasing, Finance, Communications

Wikman Building - Disposition
The Wikman is an owned building that is under-utilized due to the design of the floor plan. In discussions with DCJ this building was identified as a candidate for consolidation of multiple sites: TMB admin, Central Probation and Mid-County Probation. The assumed strategy for this building is relocation and sale.
Work Group: Surplus Property, Disposition, MACs, Finance, Communications

Dexco - Lease
We are currently drafting space scenarios that would move the Dexco tenants into the recently vacated primary care space at South East Health Center. The building is a perfect fit and would utilize the SEHC space very efficiently. Lease expires 2/28/06. The assumed strategy for the building is relocation to SEHC and a lease termination.

Work Group Requirements: MACs, Leasing, Finance, Communications

Portland Building 14 – Lease Hold Disposition
The majority of the 14th floor is currently vacant, and the balance of the floor is set to move out in January 2005. Discussions are underway with the City of Portland regarding a potential sale. It is assumed the strategy will involve relocation and sale.
Work Group Requirements: Disposition, MACs, Finance, Communications

Marlene Building - Lease
The lease has expired and the occupants have moved into vacant space at the SEHC.
Work Group Requirements: None

East Portland Community Center - Lease
This lease is for one office space and can be terminated with 90 days notice. The assumed building strategy is relocation and lease termination.
Work Group Requirements: MACs, Leasing, Finance

South Powellhurst - Lease
It is believed that the activities at this location could be relocated to other County facilities. The lease expires 6/30/05. The lease rate is very reasonable and the location is good. We are currently researching and analyzing alternates for this space.
Work Group Requirements: MACs, Leasing, Finance, Communications

Public Safety/School Building - Lease
Lease has expired and we have vacated the site.
Work Group Requirements: None

Anchor Park - Lease
Lease has expired and we have vacated the site.
Work Group Requirements: None

Montavilla Building - Disposition
Property is vacant and has been declared surplus. Community interest in the site has prolonged disposition. The assumed strategy is sale.
Work Group Requirements: Surplus Property, Disposition, Finance, Communications

Morrison Building – Disposition
Property is vacant and has been declared surplus. Community interest in the site has prolonged disposition. The assumed strategy is sale.
Work Group Requirements: Surplus Property, Disposition, Finance, Communications

Hooper Memorial Center – Disposition
Building is currently utilized (at no cost) by Central City Concern. Discussions about the possible transfer to the facility to CCC are currently underway.
Work Group Requirements: Disposition, Finance, Communications

Example of a Detailed Site Strategy

NDSO Strategy

The North Disabilities Services Office is located in a leased building approximately 12 blocks from another DSO office. The strategy is to consolidate both offices into one, which will be located in an owned building at the NE Walnut Park complex. This strategy will reduce one site, better utilize the vacant space in an owned building and provide annual savings of approximately $198k in operating expense.

Work Group

Lease Team

The lease does not expire until 5/31/06, will need to pursue an early release.

Fiscal Team

Provide analysis for lease buy-out and tenant improvement requirements

Surplus Property Policy (Surplus Property) Team

Work is already underway with the PAO office. Provide support as needed to the program management.

Communications Team

Work is already underway with the PAO office. Provide support as needed to the program management.

MACS Team

The move is currently not possible with the existing configuration of furniture and program placement. Develop strategy to allow total consolidation. The Health department occupies space that could be easily recreated elsewhere for their field nurses office; this space could then be used for DCHS consolidation. Explore Tenant Improvements in the vacant mezzanine space.

Actual Steps/Lead

1. Develop scope of work and construction estimate for upgrade of vacant mezzanine space
2. Evaluate construction estimate vs. cost to move Health out of the 1st floor, south side of building to alternate general use space
3. Work with Health Dept as needed if a Health move is recommended
4. Develop lease exit strategy with County Attorney
5. Design building layout
6. Tenant Improvements
7. Execute move

Constraints

- Parking issues need to be resolved
- Lease expiration – 5/31/06

Cost to Dispose

- Tenant Improvements - $60k
- Moves - $25k
- Lease buy-out - $70k

Net Disposition Proceeds

- $199,209 annual operating cost
- $(155,000) Cost to Dispose

Net First Year Proceeds - $44,209

c. Fiscal Plan

1. Introduction
The disposition of the 24 proposed buildings (and the potential of up to 14 additional buildings) will create long-term savings for the County. The implementation will, however, trigger significant one-time expenditures, and cause shifts of Facility cost responsibilities.

- One-time expenditures are driven by building dispositions. Such costs could include:
  - Extinguishing of fixed costs (such as debt balance)
  - Lease buyout
  - Move costs
  - Tenant Improvements
  - Disposition transaction costs
  - Communication costs
  - Surplus Property Policy Process costs

- Ongoing cost savings are achieved by fewer buildings and consequently less building specific expenditures. Savings categories would include:
  - Operation and maintenance expenses
  - Lease (and sublease) charges and revenues
  - Capital improvement assessments (AP/CIP fees)
  - Utilities and recycling costs
  - Annual debt and interest payments
  - Code compliance costs
  - Building and asset management costs

The sale of owned buildings can generate sales revenue. Certain payments should be prioritized from the use of proceeds of the sale, including transaction costs and outstanding debt. Net proceeds beyond those expenses can be used to fund the one-time expenditures or used for other purposes at the discretion of the Board consistent with current adopted financial policies.

This procedure describes the approach and information to be provided by Facilities in making its recommendation to the Board regarding disposition proceeds for each affected property. [NOTE: This procedure will apply only to those buildings and moves related to the Strategic Disposition Plan and not to other moves initiated by departments.]

2. Timing, Data, and Reports

The timeframe for the Disposition Plan and this procedure is FY05 through FY07 (to the extent final dispositions spill into that fiscal year). Information required will include the following for each building:

- Expected quarter of disposition
- One-time expenditures by disposition category, budget & actual, and rough timeframe
- Ownership costs (debt balance), restrictions on extinguishment, appraised value, and potential sales price and receipt
- Use of space by program by time period per plan and actual
- Monthly operating cost for year of disposition.
- Analysis of the above will feed into budget for FY06 and FY07

Reports and analysis will include:

- Cash flow and expenditure reports including balance available on one-time costs by building by quarter and in total for the project.
- Budget and actual impact of the Disposition plan on each building and on rates
- Disposition plan vacancy calculation for budget as well as actuals
- Impact on recovery of debt costs through rates from each department
- Budget revenue by department compared to previous year by building by year
- Comparison of operating costs to previous year
- Actual vs. planned moves and financial impact of change on costs and disposition vacancy

3. One-time Costs

The dispositions will overlap significantly. Closing buildings and moving personnel comes with a significant cost, and much of the expenditure will occur before any sales proceeds are realized. This will require funding sources to precede net sales receipts, possibly on a reimbursable basis.

The Board decides on the use of any proceeds from each specific sale. Such decisions normally come when the property is declared surplus or when the sales transaction comes before the Board for approval. While each disposition in the plan is ultimately a unique event, the funding and expenditures for the process are best examined in the larger context of all the expenditures.

A major assumption used is that this is a countywide program, so departments that are asked to move will not be required to pay for the one-time costs out of their budgets. Each quarter, a report will be produced comparing budget to actual expenditures for the one-time costs with resources applied and cash flow needs identified.

Sources for funding to cover the one-time expenditure needs may include:

- Capital Improvement budget funds--There is $250,000 identified in the FY05 budget for dispositions and moves. This source could be used to "front end" some of the costs until a sale is consummated and the fund is replenished.

- Capital Improvement Project delay—With Board approval, select adopted projects could be delayed until other sources (e.g., sales) were available.
- Facilities Operating Fund contingency (FY05)—The Board adopted a contingent amount of $148K in the operating budget for Facilities for FY05. Because there is no specific allowance for shortfalls in FY05 due to disposition moves, the contingency is probably best suited to absorb any related shortfalls.
- Transfers from General Fund—This source could be considered for short-term funding of the projects until such time as other revenue sources become available.
- Landlord funding of tenant improvements—Any renegotiation or extension of leases could include exploration of such funding to reduce our cash flow needs for tenant improvements.
- Sales proceeds from disposition of owned building—Some buildings will provide considerable funds, part of which could be used for one-time costs. There is a risk in budgeting sales as there could be wide fluctuations between the time sales are projected and when they actually occur. Funding for one-time expenditures should provide flexibility for such fluctuation.

Subject to the approval of the Board, the use of Sale Proceeds should be considered in this order:

- Pay direct transaction costs
- Applied to retire any outstanding debt on the facility sold. NOTE: If appropriate, a trust account could be established from the proceeds to cover the total cost of debt remaining and shall be held until the call date.
- If proceeds from the sale of a County building do not fully cover the cost of its outstanding debt, then funds remaining from the sale of other buildings in this disposition project may be used to cover that debt.
- Other one-time costs related to the strategic disposition plan (such as moves, tenant improvements).
- If the cash flow projections show part of the proceeds is not needed in the reasonable future, the remainder of the proceeds should be used to replenish reserves, or programmed for deferred maintenance projects in the Capital Improvement Fund.

On a quarterly basis, as well as before the Board approves a sale, the most current schedule and description of actual and projected costs will be presented and any recommendation for additional or fewer resources will be made.

4. Ongoing cost savings

Balanced and consistent treatment of ongoing cost savings and Facilities revenues is difficult to quantify and achieve. The effect of the Disposition Strategy is that overall annual costs to the County for facilities services will decrease. However, the overall rates per square foot for base service or overhead charge may increase (or at least not decrease) initially because of lost revenue and fixed costs. Thus, a department decreasing space will generally see a decrease in overall billings while one staying at the same locations could potentially see an increase.

Several procedures were examined. An initial idea proposed was to identify savings from each sale/disposition and share them among the moving department, the other departments, and Facilities (to bring maintenance closer to standard). Another proposal sought to capture all savings from individual transactions for the General Fund needs. Finally, the existing vacancy policy could be used. Whatever method is used, it is important that such a significant shift of programs from one place to another not place the burden on Facilities to cut services to everyone due to disposition-related vacancy revenue shortfalls.

Under the current vacancy policy, customers are charged for budgeted vacancies as part of departmental overhead or directly if they move between annual budget adoptions. The current vacancy policy is not considered appropriate for vacancies caused by the Disposition Strategy since the departments do not initiate the changes and there is a desire by some to share the savings more widely across the county.

Facilities proposes that changes in billings to departments caused by Disposition Strategy related events be treated in the following modified manner:

- Facilities will develop a month-by-month expense and revenue budget for those buildings to be disposed of during the budget year and any expected changes to other buildings caused by the Strategy.
- The costs for buildings to be disposed, before and after occupancy will be budgeted and included in the expenditure budget for FY06 and FY07, reported separately, and analyzed quarterly for variance between actual and the plan.
- Facilities will incorporate a new category in our budget development—"disposition vacancies" which will track the revenue shortfall, both budget and actual from what it would have been had there not been a disposal plan.
- Since both the revenue and expense side of the operating costs for buildings to be disposed will be included in the FY06 and FY07 budgets, they will be used to develop rates to be charged. The "disposal vacancy" will be calculated and its recovery mechanism determined during the budget process. Such recovery could be by surcharge, by changing the rates, by use of sale proceeds, or by other mechanisms as described above.
- The remaining risk for Facilities and the County is that actual operating costs, move timings, and vacancies will deviate significantly from the plan. Facilities will report on plan vs. actual and variance to the ASM's and

Executive Committee quarterly. Facilities will be prepared to propose an adjustment if the variance becomes large in one direction or another.

Rates per square foot for FY06 may be increasing while square footage is decreasing disproportionately among departments depending on moves. Some departments may have lower overall Facility charges and some may have higher bills, particularly if they move into more expensive buildings that the County is keeping. Reports will be provided with Facilities' proposed budget showing by department the FY06 sq ft, debt cost, and other costs by department by building compared to FY05.

Any adjustments to capture the savings through constraint adjustments for debt service coverage or overall department savings should be made through the Budget office. This will allow Facilities to concentrate on reducing overall cost to the County and continuing to charge each department in accordance with its normal procedures.

d. Surplus Property Policy Process

The decision to declare real property as surplus rests solely with the Multnomah County Board of Commissioners (Board). Real property means any property or equity interest in real property held or owned by Multnomah County, Oregon. The administration of property as a public asset requires due diligence to maximize the return on assets and occurs in three phases.

In the **first phase** Facilities and Property Management (Facilities) moves to determine that real property in the custody of or use by a County department(s), commission, or agency is no longer needed or suited for its purposes. In doing so Facilities determines if that property meets one or more of the following criteria:

1. The County has or soon will have no practical, efficient, or appropriate use for the property, nor will it have such a use for the property in the near future;
2. The purpose served by the property can be accomplished by use of a better, less costly, or more efficient alternative;
3. The purpose served by the property or its use no longer exists as determined by a change of policy evidenced by an ordinance or resolution of the Board of County Commissioners or funding has been withdrawn for the program that has supported the property;
4. The facilities and or building residing on the property are damaged, worn out or otherwise inoperable and the cost of repairing the same is impractical.

Upon determining that the property meets one or more of the above criteria Facilities submits that property(s) to the Board who declares that property surplus through resolution.

In **phase two**, Facilities provides opportunity for public notice and comment regarding the disposition of any surplus property by notifying the community(s) of the declaration of surplus with subsequent intent to dispose of the property(s). On a predetermined date Facilities provides a report to the Board summarizing actions taken and next steps required for surplus property. This report may and often does contain a plan for sale of the property. The Board, by accepting the report, approves next steps regarding the property and moves the property into the third and final stage.

In **phase three**, Facilities may sell, contract to sell, sell by trust deed, or exchange such property or interest therein in the manner and upon the terms standards, and conditions approved by the Board. The County will obtain fair market value for any surplus real property offered for sale, except that less than fair market value may be accepted if it is determined to be in the best interest of the County to sell the property for a negotiated amount that is subsequently approved by the Board of County Commissioners.

Facilities has determined through a collaborative effort with affected Departments that those properties listed earlier in this report meet one or more of the criteria above. Therefore, the Board will be asked to approve a resolution for surplus. After which phases two and three will be undertaken with some activity occurring simultaneously. Facilities would then submit a report to the Board upon completion of that work for approval prior to final disposition activities for surplus property.

e. Communication Plan

Communication planning for the Disposition Strategy will be a critical and ongoing function throughout the life of this Project. Provided here are basic, preliminary elements of an overarching communication plan, with the expectation that additional elements and specific details will be included as the Project becomes operational. Communication planning will be especially closely tied to, coordinated with, and supportive of the Site Strategy and Moves/Adds/Changes teams.

Specific communication plans related to particular events, sites or milestones will be developed as the Project unfolds. These plans will adhere to the elements described here to provide consistency, cohesiveness and a comprehensive approach to the overall communication activities related to this Project.

Primary communication elements described include:

- scope and goals for the Plan
- a list of stakeholders that may be impacted
- proposed key messages in summary form
- recommendations for communication vehicles or tools
- temporary communication/change management structures
- Project Team communication protocols, guidelines and ground rules to coordinate with and support the efforts of the Site Strategy and MACs teams.

Scope and goals of the communication plan

The scope of this plan includes information and communication strategies targeted to:

- Internal stakeholders who may be impacted by the Facilities Disposition Project
- Facilities Disposition Team members, Facilities staff and contractors involved in implementing this Project

- A third potential area of focus is external customers, providers and clients of County services that are impacted by the Disposition Project, pending discussions with the Public Affairs Office to identify border issues and handoff points.

The goals of the communication plan will be to:

- Provide high-level information such as overall plan, timeline, benefits and updates sufficient to build general awareness of and support for the Disposition Project.
- In coordination with the Site Strategy and MACs teams, provide detailed information to impacted stakeholders on specific site developments to support planning for and execution of moves and changes.
- Develop communication practices, norms and protocols among the members of the Project Team and other Facilities staff to provide consistent, accurate and appropriate information to each other and to impacted stakeholders.

Stakeholder Identification and Analysis

The Facilities Disposition Project has the potential of affecting a wide range of stakeholders at different times and at different levels. The communication plan will provide information to each of these stakeholder groups as needed via appropriate communication vehicles and tools throughout the duration of the Project. This will be accomplished through an ongoing assessment to determine current stakeholder involvement, awareness and information needs.

Prospective stakeholder groups include:

- The Chair's Office, Board of County Commissioners, unions, other Elected Officials, external Boards or interest groups
- Facilities staff and contractors
- Department Directors and Administrative Services Managers (who, along with Facilities managers are considered 'champions' of this initiative)
- Business Services Leadership Team – some of whose operations will be impacted or will be providing infrastructure-related support for moves and changes
- The Public Affairs Office (PAO), who may be involved in providing information to the media and clients related to moves and changes
- Division managers, supervisors, leads who may be involved in planning for moves and changes
- Line staff who will be asked to move or change
- External and internal clients or customers of services provided at County facilities that are impacted by the Disposition Strategy
- External business, realtors, contractors, suppliers impacted by the Strategy
- External tenants of County facilities impacted by the Strategy
- The media who may be involved in communicating changes to the public related to the Disposition Strategy

Key Messages/Themes

Throughout the duration of the Project, key messages will be identified based on the approved Disposition Strategy, on events and milestones as they unfold and other critical developments. Communicating key messages consistently will help stakeholders clearly understand the need for this Project, its benefits and impacts. This will be important given that physical moves generally require a significant amount of information and effort. Moves pose disruptions to those affected and possibly will require new, undesired changes to routine. Additionally, moves imposed from 'above' could generate some resistance. Key messages will also help stakeholders manage their expectations, given the fair degree of ambiguity and likelihood of change inherent in this project.

Key messages should be incorporated into various communication vehicles and tools (as identified below). To achieve maximum consistency and clarity for stakeholders, incorporating key messages in face-to-face meetings, conversations, and presentations would also be helpful. Proposed key messages could include:

- **Mandate for change: Five years of budget cuts**
  - The Past: $61m cut from County budget in past 5 years
  - The Near-term: $32 million iTax impact
  - The Future: structural deficit of $6-8 million annually

- **Budget cuts create a serious situation for County facilities**
  - Portfolio size: too many small bldgs – 24,000s.f./bldg compared to 199,000, expensive to maintain many small bldgs
  - Preventive Maintenance under funded: give stats
  - Inefficient use of space:
  - Deferred capital backlog – of properties that need capital maintenance work

- **Facilities Disposition Project addresses long-term needs:**
  - Reduce total County sq. footage by 10% (320,000 sf by 7/2006)
  - Reduce number of county sites by 25% (27 of 120)
  - Cut operating expenses by $2,500,000/yr
  - Reduce capital backlog by $10,000,000

- **Overall savings will benefit the County as a whole-** it will be important for stakeholders who are impacted to understand the overarching reason and benefit for their inconvenience

- **The Disposition Project is a Countywide initiative** supported by the Board, Dept. Directors and ASMs

- **Decisions will be made jointly** by the Executive Committee and ASMs and presented to the Board for approval

- **Special Work Groups convened** to oversee the Project
  - Fully staffed, experienced
  - New processes in place to support moves and changes
  - Communication, input opportunities, other resources available

- **The Project is complex:** fluid, many variables out of our control, many interdependencies that could be affected because one variable changes

- **We need to actively manage expectations**
    - two-three years before goal is reached
    - for those whose offices will move, some short-term disruption
    - likelihood of changes to original schedules b/c of variables

- **We need everyone's support and understanding**

Communication vehicles/tools
Appropriate communication vehicles and tools will be identified as the Project unfolds and will be keyed to stakeholders' preferences and needs. Tools could include:

- Basic information packet: Disposition Project overview, FAQ, Resources, Timeline
- Regular decision-maker updates by Facilities to:
    - ASMs monthly
    - Executive Committee quarterly
    - Board semi-annually
- Site-specific communication keyed to impacted stakeholders – coordinated with Site Strategy/MACs teams
- Ongoing, regular updates via email, hard copy regarding moves/changes
- Talking points to be included in dept. newsletters, updates, Directors' messages, etc.
- Mint site: static information such as Project overview, FAQ, Timeline
- Brown Bags or Focus Groups at request of Dept. Directors, ASMs, or others
- Talking points to key opinion leaders as needed
- Other communication tools, vehicles as requested, needed

Temporary communication structures
An effective strategy often used during significant organizational change is to identify site champions, transition monitoring teams or 'point people' (not Facilities' staff). These individuals/teams act as a 2-way information conduit to provide accurate information and to apprise the Disposition Team of misinformation or unidentified information needs. This strategy may be adopted pending development of Site Strategy and MACs plans.

Communication norms and protocols among the Disposition Team
Given the complex nature of this project, where every change to the status of any one property could affect a chain of interdependent variables, clear communication protocols will need to be established among the Project team members, to keep each other apprised. These protocols will be developed and coordinated closely with each of the Project teams.

Communication protocols will also need to be established regarding how and when information should be shared with impacted stakeholders, particularly regarding specific sites. As the Project Teams develop their respective plans, the expectation is that communication protocols for external stakeholders will also be clarified, agreed-upon and become part of standard operating procedure.

f. Lease Negotiation and Dispositions

Facilities and Property Management is engaged in a process of streamlining and increasing the efficiency of use for the Multnomah County Real Property Portfolio. This activity includes the disposing of property that isn't necessary for the County to retain. Facilities, has established a three part process for the identification and disposal of these surplus properties.

Phase 1 is internal to the County and establishes whether or not a property is operationally necessary and efficient for the County to operate. Program needs drive this phase of analysis. The product of this phase is a resolution of surplus by the Board of County Commissioners

Phase 2; the "Due Diligence" and Surplus Property Policy Process work is the responsibility of Facilities and Property Management. Facilities will evaluate the physical, legal, environmental, financial, and community condition of the "surplus" property. The result will be recommendation to the Board for action; such as sell, lease, or mothball and hold.

Phase 3 is the implementation action that is directed by the Board in Phase 2.

The attached flow chart graphically portrays a five point process for identifying the appropriate course of action for County owned property that is judged to be surplus. Currently there are nine properties that have been judged to be surplus to the County or are in the process of being declared surplus and are actively being worked on.

g. Moves Adds & Changes (MACs)

1. Background

   Historically the project management of MACs has been tracked and executed semi-independently. Although there is an existing County Administrative Procedure – FAC-6 - that indicates that Facilities is the responsible party to execute moves, the responsibility has been assumed in some departments by other staff. This inconsistency:

- Has led to the inconsistent application of regulatory requirements, County policies, contractual obligations, etc.
- Makes it more difficult to view and document current conditions, opportunities, and changes in the County facility portfolio
- Reduces the opportunities to capture economies of scale
- Makes it substantially more difficult to improve coordination between the Business Services disciplines, specifically: IT, Telecom and Facilities

Facilities is currently implementing a new service delivery model for MACs that will streamline operations, create consistent work practices in regards to MACs, and provide a level of visibility to the County portfolio and true space utilization as never achieved in the past. This reformation was driven by the need for the improved daily response to MACs and the need for enhanced space planning and move coordination required by the Consolidation and Disposition Strategy.

2. MACs Review Team Objectives

- Identify best practices and procedures
- Propose cost effective labor sources and practices
- Enhance the communication between IT, Telecom and Facilities
- Recommend a new service delivery model with enhanced customer service and response
- Propose a method to quantify MACs activity. [NOTE: with multiple players and no consistency, the County is currently unable to track expenditures associated with MACs accurately. The estimate that we reached for a 12-month period was in excess of $1,500,000 labor, materials, and services.]

3. Review Process

A team made up of Facilities, IT and other department staff reviewed the best practices and procedures for MACs. Topics reviewed included:

- Types and scale of moves
- Staff that currently execute this work
- Funding and cost recovery models
- Standardization of forms, procedures, practices
- Consistent operating methods regarding the use of internal labor vs. contractors
- Timing and expectations
- Communications and tracking

4. New Structure

The newly formed MACs team will consist of three FTE redeployed from other Facilities work groups (i.e., using only existing budget and staff). The team will report to the Disposition Strategy Project Manager. The team will be integral in the development and implementation of the specific site strategies pursued in this project. Increased team building and communication channels have been implemented between the CBS service providers. [NOTE: The staff that will be deployed will be pulled from Property Management, Project Management, and Support. Their current assignments include elements of the work required in the new assignment and the remaining elements will be assumed by others. Customer service impacts should be minimal.]

5. Funding

Since existing resources that are funded by the maintenance rate are being restructured, there will not be a change to the Facilities budget. The MACs team will be funded through the maintenance rate and will not be charged to the client on a per hour basis as was previously the practice. This cost will be spread across the departments for the benefit of all.

6. Operating Methods

The operating procedures for the MACs group have been totally overhauled with the focus on responsiveness, communications and customer service. A specific change that will lower the cost of MACs as well as dramatically improving response times is that moves work will be accomplished by outside vendors specializing in this type of work. In-house skilled staff will provide tenant improvement and other skilled labor as required but will no longer be used for moves themselves.

7. Tracking
   New accounting practices will be implemented using SAP to track, quantify and project move activity and requirements.

Multnomah County

Appendix A – Site Scoring Spreadsheet

Bldg Num.	Tier	Building List	Primary Occupant	Square Feet	Cost / Sq Ft	5 Yr Cap Reqm	Space Usage	Flexible Layout	Costly to Move Recreate	Market Exit Strategy	Close to Public Transit	Functional for current use	Funding Assurance	Location Function	Co-Location W/ other pgms	Opportunity	Total
					Cost		Building Characteristics				Program Compatibility					Opportunity	
				3=keep if:	low	low	good	flexible	costly	not marketable	multi line transit	good	expect 5yr at same level	existing site critical	hard fit with others	no opportunity	
				1=target:	high	high	poor or vacant	inflexible	easy	has ready market	limited transit	inadequate	potential reductions over 5 yrs	if existing site not critical	potential fit with others	good opportunity over 2 yrs	
				Weighting Factor	20	10	10	5	10	5	10	10	10	10	10	15	125
315	2	State Medical Examiner	DA	10,928	2	2	1	1	1	3	2	1	1	1	2	1	185
393	2	Peninsula Building	CommJus	7,285	2	1	1	2	1	2	2	2	1	2	1	1	185
149	4	Tri-County Crisis	HumanSv	2,204	1	3	1	1	1	1	1	2	3	3	1	1	195
436	4	Powell Villa (DSO)	HumanSv	6,865	1	3	1	3	1	2	2	1	2	1	1	2	195
454	4	Rockwood Neigh. Health	HealthSv	3,654	1	3	1	1	2	1	2	1	1	3	3	1	205
465	2	Wikman Building	CommJus	5,171	2	2	1	1	1	1	2	2	2	2	2	1	205
331	3	MCCF	MCSO	23,023	3	2	2	1	2	1	1	2	1	1	2	1	215
245	4	Dexco Building	HealthSv	8,681	1	3	2	2	1	1	3	2	2	2	2	1	220
106	4	Portland Building-14	Multi	18,772	1	3	1	3	1	3	3	3	3	1	1	1	225
340	4	Marlene Building	HealthSv	8,325	2	3	1	2	1	1	2	2	2	2	2	2	235
356	4	King Neighborhood Fac	CommJus	3,280	2	3	2	2	2	2	2	2	2	2	1	1	235
455	1	John B Yeon Annex	CommSvc	21,630	1	3	2	2	1	2	1	2	3	1	2	3	235
420	1	Southeast Health Clinic	HealthSv	23,386	1	2	1	2	2	1	3	3	2	2	1	3	240
166	4	Commonwealth Building	Multi	110,372	1	3	3	3	1	1	3	3	3	2	1	1	245
226	4	North Disability Services	HumanSv	10,311	1	3	2	2	2	1	3	1	3	3	1	2	245
327	2	Penumbra Kelly Building	BusSvc	18,484	1	2	3	2	3	2	2	1	3	1	1	3	245
339	4	East Portland Comm. Ctr	HumanSv	490	3	3	2	1	1	3	2	2	3	1	1	1	245
303	4	South Powellhurst (ASD)	HumanSv	21,610	2	3	2	1	1	1	3	2	3	2	1	2	250
324	3	Animal Shelter	CommSvc	13,148	1	2	3	1	3	2	1	2	2	1	3	3	250
407	2	Gresham Probation	CommJus	4,054	2	1	3	2	2	2	1	2	2	2	2	3	255
430	1	Mid-County Health Center	HealthSv	21,206	1	2	3	2	2	2	2	2	2	3	1	3	255
481	3	Central Probation	CommJus	7,618	2	1	2	2	2	2	2	3	2	2	1	3	255
160	3	Gladys McCoy Building	HealthSv	98,318	1	1	3	2	3	1	3	2	2	3	1	3	260
274	4	Blanchard Service Center	BusSvc	39,650	1	3	1	2	2	3	3	3	3	1	1	3	260
304	4	Mid-County District Office	CommJus	4,972	2	3	2	2	2	1	2	2	2	2	1	3	260
313	3	Hansen Building	MCSO	31,866	2	1	1	2	2	3	3	3	3	2	3	1	260
338	4	Baltazar Ortiz (La Clinica)	Multi	7,738	1	3	2	2	1	3	3	2	2	3	1	3	260
155	2	Martha Washington (MCR	CommJus	65,189	3	1	2	1	3	1	3	2	1	3	3	1	265
448	1	GCC Service Bldg	Multi	13,914	2	3	2	3	1	1	3	3	1	2	1	3	265
503	1	Multnomah Building	Multi	201,208	1	3	2	3	1	1	3	3	3	2	1	3	265
101	2	Multnomah Cty Courthous	DA/Courts	258,473	2	1	2	1	3	2	3	1	3	3	1	3	270
161	3	Mead Building	CommJus	76,545	1	1	3	2	3	1	3	2	2	3	2	3	270
325	1	North Portland Hlth Clinic	HealthSv	24,017	1	3	2	2	2	3	3	3	2	2	1	3	270
409	4	Tabor Square	HumanSv	29,087	2	3	2	3	2	2	2	1	2	3	1	3	270
219	4	Gazelle House	CommJus	2,668	3	3	3	1	2	1	1	2	2	2	1	3	275
221	4	Columbia Pacific (PBNO)	CommJus	9,987	2	3	2	3	2	1	3	2	2	1	2	3	275
322	3	Walnut Park	multi	74,294	2	2	2	2	2	2	3	2	2	3	1	3	275
360	1	Womens Transition 1	CommJus	2,576	2	3	3	1	1	1	2	2	2	2	3	3	275
365	1	Womens Transition 2	CommJus	1,773	2	3	3	1	1	1	2	2	2	2	3	3	275
366	1	Womens Transition 3	CommJus	2,519	2	3	3	1	1	1	2	2	2	2	3	3	275
423	4	Rockwood Fmeyer	CommJus	1,591	3	3	3	1	1	1	3	2	2	3	2	1	275
437	1	Multnomah County East	Multi	82,155	1	3	2	3	2	1	3	3	2	3	1	3	275
446	3	Bridge Shops	CommSvc	18,360	3	2	2	1	3	1	2	3	3	2	2	1	275
151	4	Cascade Plasa Dame Ctr	DBCS	130	1	3	3	2	1	3	2	3	3	3	1	3	280
358	2	Hooper Memorial Center	(contract)	16,599	3	2	3	1	1	1	3	2	1	3	3	2	280
617	3	Title Wave Bookstore	Libr	13,409	3	1	3	1	1	2	2	3	3	1	2	3	280
314	2	Inverness Jail	MCSO	233,342	2	2	2	1	3	3	1	3	2	2	3	3	285
439	1	GCC MDT Building	Multi	22,871	2	3	3	3	1	1	3	3	2	2	1	3	285
444	4	Towne Building	Courts	13,400	3	3	3	1	1	1	1	3	3	2	1	3	285
447	4	St. Francis Dining Hall	HealthSv	180	3	3	2	1	1	1	2	3	3	2	1	3	285
999		Ptld bldg-15		18,750	1	3	3	3	2	2	3	3	3	2	2	2	285
317	3	Library Administration	Libr	35,265	2	3	3	2	2	1	2	3	3	1	2	3	290
425	2	John B Yeon Facility	CommSvc	181,934	3	1	2	1	2	2	1	3	3	3	2	3	290
462	4	Public Safety/School Bldg	DA	1,432	3	3	3	2	2	1	2	2	3	2	3	1	290
473	4	YWCA Downtown Center	HumanSv	12,095	1	3	2	3	1	2	3	3	3	3	2	3	290
311	1	Juvenile Justice Complex	CommJus	179,841	1	3	2	2	3	2	2	3	3	3	2	3	295
406	4	Gresham District Court	DA/Courts	5,600	2	3	3	1	3	1	2	2	3	3	1	3	295
451	1	GCC Resid. Bldg	Multi	10,802	3	3	1	1	2	2	3	3	1	2	3	3	300
119	2	Justice Center	MCSO	265,745	2	1	2	1	3	3	3	3	3	3	2	3	305
504	1	Multnomah Bldg Garage	Multi	103,159	3	3	3	1	1	1	3	3	3	3	1	3	315
312	4	Vector Control	HealthSv	2,598	2	3	3	1	3	3	1	3	3	3	3	3	325
414	1	Elections Building	CommSvc	41,248	3	3	2	2	2	1	3	3	3	2	3	3	330

CRESA

Multnomah County

Appendix B – Results Spreadsheet

		Proposed Sites for Disposition											
									320,000	$2,500,000	$5,000,000	27	
					Approx	5 Yr			Disp Sq ft	Disp Savings	Disp Cap mtnc	Count	
				Sq Ft	Savings	Def Mtnc	Score	Dispose	326,708	2,098,780	8,754,000	24	
owned	315	State Medical Examiner	DA	10,928	100,831	433,000	185	yes	10,928	100,831	433,000	1	
owned	393	Peninsula	HAP	7,285	99,659	323,000	185	yes	7,285	99,659	323,000	1	
leased	149	Tri-County Crisis	HumanSv	2,204	34,356		195	yes	2,204	34,356	0	1	
leased	436	Powell Villa (DSO)	HumanSv	6,865	114,292		195	yes	6,865	114,292	0	1	
leased	454	Rockwood Neigh. Health	HealthSv	3,654	78,208		205	yes	3,654	78,208	0	1	
owned	465	Wikman Building	CommJus	5,171	50,394	269,000	205	yes	5,171	50,394	269,000	1	
owned	331	MCCF	MCSO	23,023	127,206	769,000	215	yes	23,023	127,206	769,000	1	
leased	245	Dexco Building	HealthSv	8,661	150,636		220	yes	8,661	150,636	0	1	
leased	106	Portland Building-14	Multi	18,772	380,229		225	yes	18,772	380,229	0	1	
leased	340	Marlene Building	HealthSv	8,325	97,271		235	yes	8,325	97,271	0	1	
leased	356	King Neighborhood Fac.	CommJus	3,280	35,187		235	maybe					
owned	455	John B Yeon Annex	CommSvc	21,630	666,946	0	235	maybe					consolidation possibility
owned	420	Southeast Health Clinic	HealthSv	23,386	439,876	1,743,000	240	maybe					consolidation possibility
leased	166	Commonwealth Building	Multi	110,372	1,704,931		245	maybe					consolidation possibility
leased	226	North Disability Services	HumanSv	10,311	199,209		245	yes	10,311	199,209	0	1	
owned	327	Penumbra Kelly Building	BusSvc	18,484	322,518	1,763,000	245	maybe					
leased	339	East Portland Comm. Ctr.	HumanSv	490	400		245	yes	490	400	0	1	
leased	303	South Powellhurst (ASD)	HumanSv	21,610	212,906		250	yes	21,610	212,906	0	1	
owned	324	Animal Shelter	CommSvc	13,148	232,348	1,317,000	250	no					
owned	407	Gresham Probation	CommJus	4,054	55,338	291,000	255	maybe					
owned	430	Mid-County Health Center	HealthSv	21,206	391,697	1,234,000	255	no					
owned	481	Central Probation	CommJus	7,618	62,807	995,000	255	maybe					could combine w 304
owned	160	Gladys McCoy Building	HealthSv	98,318	1,488,205	13,399,000	260	maybe					consolidation possibility
leased	274	Blanchard Service Center	BusSvc	39,650	569,639		260	no					consolidation possibility
leased	304	Mid-County District Office	CommJus	4,972	70,247		260	maybe					could combine w 481
owned	313	Hansen Building	MCSO	31,866	246,274	2,615,000	260	yes	46,181	246,274	2,615,000	1	
leased	338	Baltazar Ortiz (La Clinica)	Multi	7,738	272,221		260	maybe					
owned	155	Martha Washington (MCRC)	CommJus	65,189	385,973	5,464,000	265	maybe					
owned	448	GCC Service Bldg	Multi	13,914	144,333	236,000	265	no					
owned	503	Multnomah Building	Multi	201,208	4,275,239	689,000	265	no					
owned	101	Multnomah Cty Courthouse	DA/Courts	258,473	2,020,303	68,317,000	270	no					
owned	161	Mead Building	CommJus	76,545	1,255,799	6,526,000	270	maybe					
owned	325	North Portland Hlth Clinic	HealthSv	24,017	663,405	0	270	no					
leased	409	Tabor Square	HumanSv	29,087	346,076		270	no					
leased	219	Gazelle House	CommJus	2068	10,859		275	no					
leased	221	Columbia Pacific (PBNC)	CommJus	9,987	133,666		275	no					
owned	322	Walnut Park	Multi	74,294	731,185	3,641,000	275	no					
owned	360	Womens Transition 1	CommJus	2,578	28,539		275	no					
owned	365	Womens Transition 2	CommJus	1,773	16,872		275	no					
owned	366	Womens Transition 3	CommJus	2,519	17,151		275	no					
leased	423	Rockwood Freyer	CommJus	1,591	2,754		275	no					
owned	437	Multnomah County East	HealthSv	82,155	2,091,476	0	275	no					
owned	446	Bridge Shops	CommSvc	18,360	104,395	774,000	275	maybe					
leased	151	Cascade Rasa Dame Ctr	DBCS	130	3,503		280	no					
owned	358	Hooper Memorial Center	(contract)	16,599	116,181	686,000	280	yes	16,599	116,181	686,000	1	
owned	617	Title Wave Bookstore	Libr	13,409	67,217	1,231,000	280	no					
owned	314	Inverness Jail	MCSO	233,342	1,818,951	7,256,000	285	no					
owned	439	GCC MDT Building	Multi	22,871	176,395	380,000	285	no					
leased	444	Towne Building	Courts	13,400	57,203		285	no					
leased	447	St. Francis Dining Hall	HealthSv	180	1,095		285	no					
leased	999	Portland Building-15	Multi	18,750	380,255		285	maybe					
owned	317	Library Administration	Libr	35,265	267,537	557,000	290	no					
owned	425	John B Yeon Facility	CommSvc	181,934	877,607	12,715,000	290	no					
leased	462	Public Safety/School Bldg	DA	1,432	7,250		290	yes	1,432	7,250	0	1	
leased	473	YWCA Downtown Center	HumanSv	12,095	239,081		290	no					
owned	311	Juvenile Justice Complex	CommJus	179,841	4,274,321	4,050,000	295	no					
leased	406	Gresham District Court	DA/Courts	5,600	43,992		295	no					
owned	451	GCC Resid. Bldg	Multi	10,802	81,611	100,000	300	no					
owned	119	Justice Center	MCSO	265,745	2,556,297	35,961,000	305	no					
owned	504	Multnomah Bldg Garage	Multi	103,159	159,909	195,000	315	no					
leased	312	Vector Control	HealthSv	2,596	110,475		325	no					
owned	414	Elections Building	CommSvc	41,248	229,028	837,000	330	no					look at financing strategies
		Disposal FY05 Not on list											
leased	276	Anchor Park	Libr	3,005				Yes	3,005	0	0	1	book storage, lease expire
owned	698	Montavilla Bldg	DBCS	4,702				Yes	4,702	0	0	1	
owned	412	Morrison		34,660	83,477	3,659,000		Yes	34,660	83,477	3,659,000	1	
		Closed in FY04											
	109	ADS DSO West Branch CLOSED		7560				Yes	7,560	0	0	1	
	278	Columbia Villa Health Field Nursing CLOSED 12/31/02		1125				Yes	1,125	0	0	1	
	400	Gresham Neighborhood Center		24626				Yes	24,626	0	0	1	
	421	Ford		52143				Yes	52,143	0	0	1	
	433	DSO SE Portland Branch CLOSED		7376				Yes	7,376	0	0	1	

Appendix C – Properties not included

The Noes – Buildings NOT in Portfolio Review

	Owned Buildings
14	Rocky Butte Microwave Site
111	Motor Pool Trailer (Lot 30)
320	Inverness Jail Laundry
321	Inverness Jail Storage
330	Edgefield Children's Center
427	Road Shop #1 Skyline
432	Road Shop #5 Springdale
452	Multnomah County Wapato Facility
459	Road Shop #5 Springdale-Garage
464	Road Shop #1 Skyline - Garage
601	Central Library
603	Belmont Library
605	Capitol Hill Library
606	Gregory Heights Library
607	Gresham Library
609	Holgate Library
611	Midland Library
612	North Portland Library
614	Rockwood Library
615	St. Johns Library
618	Woodstock Library
622	Hollywood Library
623	Hillsdale Library

	Leased Buildings
15	Biddle Butte Skamania County
307	River Patrol, Columbia
308	River Patrol, Willamette
309	River Patrol, Chinook Landing
374	Banfield Industrial Park Bldg A
469	Bridge Shop-Trailer Conf. Room
471	Bridge Shop - Modular Trailer
474	Kiper Bldg Rd. Maint
602	Albina Library
619	NW Library
621	Fairview Library
625	Sellwood Library

	Aucillary out Buildings
269	Blanchard Parking Shed
272	Blanchard Maint Bldg 1
273	Blanchard Fleet Shops
279	Blanchard Maint Bldg 2
296	Vector Cont. Parking Shed
297	Vector Cont. Mod Office
298	State Med Examiner-Garage
316	Hansen Building - Refueling
318	Sheriff's Warehouse
319	Sheriff's Youth Search & Rescue
371	Animal Control - Trailer
378	Hansen Building Garage 1
379	Hansen Building Garage 2
713	Health Services New Avenues For Youth

Appendix D – Draft Workflow diagram