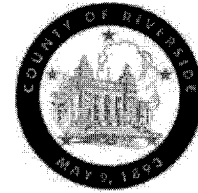


SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.41
(ID # 3308)

MEETING DATE:

Tuesday, February 7, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Proposed FY 2017/18 Hourly
Rates for Real Estate Services, All Districts. [\$4,848,984-Department Budgets]

RECOMMENDED MOTION: That the Board of Supervisors:


1. Approve and adopt the proposed productive hourly rates for the Economic Development Agency's Real Estate Division as specified in Attachment A for FY 2017/18.

ACTION: Policy

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: February 7, 2017
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

BACKGROUND:

Summary

The Economic Development Agency (EDA) is proposing the adoption of hourly rates for FY 2017/18 to recover costs associated with the provision of real estate services to its customers as specified in Attachment A. In accordance with Board Policy B-4 and B28, EDA brings cost recovery rates to the Board of Supervisors for approval and adoption on an annual basis.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 4,848,984	\$ 4,848,984	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Department Budgets			Budget Adjustment:	No
			For Fiscal Year:	
			2017/18	

C.E.O. RECOMMENDATION:

The EDA Real Estate division operates as an Internal Service Fund (ISF) and must recover its operating costs through charges to customers. Real Estate rates were derived by combining direct and indirect costs to run and operate the division.

Requesting customers will be billed the approved hourly rate multiplied by the number of hours worked providing these services including pre-leasing activities. Leasing services are billed based on the management fee and is applied to the lease amount once an agreement has been executed.

EDA has complied with Board policies B-4 and B-28. The Auditor-Controller's Office has reviewed the proposed rates and methodology.

Impact on Residents and Businesses

There is no foreseeable impact on residents and businesses.

SUPPLEMENTAL:

Additional Fiscal Information

The proposed rates are limited in providing full cost recovery for services. Limited cash reserves remain available within the fund and the department will continue to monitor cash flow closely. The Auditor-Controller has provided recommendations to increase revenues to begin

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

establishing working capital reserves over a seven year period and to charge customers one month in advance for leasing services. The EDA will continue to work with the Executive Office, Auditor-Controller, and customer departments to better ascertain these impacts.

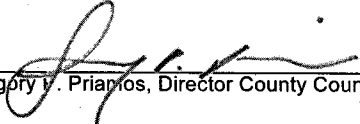
Contract History and Price Reasonableness

Comparisons with prior year rates are presented in Attachment A.

ATTACHMENT:

Attachment A – FY 2017/18 Proposed Real Estate Division Productive Hourly Rates

RF:JWW:SH:MS:CL 3308



Gregory V. Priamos, Director County Counsel 1/19/2017

Attachment A

**Proposed EDA FY 2017/18
Real Estate Division Productive Hourly Rates**

	<u>FY 16/17 Current</u>	<u>FY 17/18 Proposed</u>	<u>FY 16/17 Current OT</u>	<u>FY 17/18 Proposed OT</u>
Real Estate Services (Acquisition & Pre-leasing)	\$157.69	\$157.69	\$179.09	\$183.96
Leasing Services	4.92%	4.92%		