

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



**ITEM: 3.17
(ID # 26378)**

MEETING DATE:
Tuesday, January 14, 2025

FROM : FACILITIES MANAGEMENT

SUBJECT: FACILITIES MANAGEMENT: Approval of FY 25/26 Facilities Management Real Estate (FM-RE) Internal Service Rate, All Districts. [100% - Department Budgets]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Facilities Management-Real Estate (FM-RE) Internal Services rate for FY 25/26 as shown in Attachment A.

ACTION:Policy

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: January 14, 2025
xc: FM

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Department Budgets 100%			Budget Adjustment:	No
			For Fiscal Year:	25/26

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Department of Facilities Management - Real Estate Division (FM-RE) oversees approximately 11.2 million square feet of County-owned space and approximately 3.2 million square feet of County-leased space. The Division also manages over 400 lease, license and operating agreements.

FM-RE provides several types of on-demand customer services, including acquisition, sale and transfer transactions, property analysis and negotiations, leasing and lease management services which include design/build/lease or Public Private Partnership – P3 transactions, space and asset management, and property management services. Customers will be billed the approved hourly rate multiplied by the number of hours worked providing these hourly services, including pre-leasing activities. In accordance with Board Policy B-8, *Leasing of Real Property*, FM-RE bills customers for leasing services based on a management fee applied to the lease amount once an agreement has been fully negotiated, approved by the Board of Supervisors and executed by all parties to the agreement.

FM is requesting that the Board adopt the hourly rates for FY 25/26 for FM-RE, as shown in Attachment A. As directed by the Executive Office (EO), FM has developed rate packages that seek full cost recovery for the services provided (not including pass-through costs).

FM-RE operates as an Internal Service Fund (ISF) department and must recover its operating costs through charges to on-demand customers. FM-RE rates were derived by combining direct and indirect costs to run and operate the division divided by the annual estimated billable hours.

Impact on Residents and Businesses

FM-RE assists the County in the asset and space management of the 14.4 million square feet of space utilized for County operations and to benefit departments who are focused on providing quality services to the residents and businesses of Riverside County.

Attachment A

**Proposed FM FY 2025/26
Real Estate Division Productive Hourly Rates**

	<u>FY 24/25 Current</u>	<u>FY 25/26 Proposed</u>
Real Estate Services: (Acquisitions & Pre-Leasing)	\$153.06	\$153.06
Leasing Services:	4.84%	4.84%

Leasing Tiers

Effective for FY 25/26 are leasing cap rates as follows:

- Projects of less than \$50M Lease Value are charged per Board Approved Leasing Rate.
- Projects of over \$50M but less than \$100M Lease Value – Lease Rate capped at 3.5%.
- Projects of over \$100M Lease Value – Leasing Rate capped at 2.5%.