

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



ITEM: 3.15
(ID # 29662)

MEETING DATE:
Tuesday, January 13, 2026

FROM : FACILITIES MANAGEMENT

SUBJECT: FACILITIES MANAGEMENT: Approval of FY 26/27 Facilities Management Real Estate (FM-RE) Internal Service Rate and Approval of the Capital Asset Plan for FY25/26 – FY29/30, 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 26/27 as shown in Attachment A, and
2. Approve the Capital Asset/Project Plan for Facilities Management - \$8,381,568 for the use of restricted net position designated for capital asset replacement requirements, as permitted by the department's available budget for FY 25/26 – FY 29/30, and shown in Attachment B.

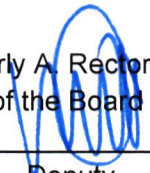
ACTION:Policy


Vincent Yzaguirre 1/7/2026

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Washington 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 13, 2026
xc: FM

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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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:	26/27

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Department of Facilities Management-Real Estate Services Division (FM-RE) oversees over 11.0 million square feet of county-owned space and approximately 3.3 million square feet of county-leased space and manages over 370 lease agreements. FM-RE provides several types of on-demand services, including the acquisition and disposition of real property, property analysis and negotiations, leasing and lease management services which include design/build/lease or Public Private Partnership – P3 transactions, space management, asset management, and property management services. Requesting 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 Real Estate (FM-RE) will maintain flat rates for internal users in FY 2026/27, achieved through targeted operational efficiencies and strategic workload management. FM is requesting that the Board adopt the hourly rates for FY 2026/27 for FM-RE, as outlined in Attachment A. In alignment with direction from the Executive Office (EO), FM has developed rate packages designed to achieve full cost recovery for services provided, excluding pass-through costs.

Additionally, approval of the FM Real Estate Five-Year Capital Asset Project Plan is requested, along with authorization to retain excess to unrestricted net assets. In alignment with Board Policy B-28 and H-9, these plans will set aside reserves, as funding permits, for capital asset purchases, deferred maintenance, and facility upgrades to ensure County infrastructure and systems are properly maintained, modernized, and compliant with Board standards and building codes. FM manages over 14.2 million square feet of County-owned and leased space and is responsible for facility design, construction, and maintenance. The plan will fund critical equipment replacement and capital improvements without increasing departmental rates, leveraging efficient resource management, restructuring, improved contracts, and a portion of

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unrestricted net assets. Funding levels will vary by fiscal year based on priorities and emergencies but will not exceed the working capital budget.

The 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.

Attachments:

- Attachment A: FY2627 Real Estate Rate
- Attachment B: FM Five-Year Capital Asset Plan

Attachment A

**Proposed FM FY 2026/27
Real Estate Division Productive Hourly Rates**

	<u>FY 25/26 Current</u>	<u>FY 26/27 Proposed</u>	<u>FY 25/26 Current OT</u>	<u>FY 26/27 Proposed OT</u>
Real Estate Services: (Acquisitions & Pre-Leasing)	\$153.06	\$153.06	\$196.26	\$196.26
Leasing Services:	4.84%	4.84%		

Leasing Tiers

Effective for FY 26/27 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%.

Facilities Management Five-Year Capital Asset Plan

Business Unit: FMARC
Fund-Dept ID: 47220-7200400000
Division: Real Estate

INFRASTRUCTURE	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
Infrastructure at CAC (multiple buildings)	1,000,000	2,500,000	2,500,000	1,381,568	1,000,000	8,381,568
Total	1,000,000	2,500,000	2,500,000	1,381,568	1,000,000	8,381,568

1,000,000	2,500,000	2,500,000	1,381,568	1,000,000	8,381,568
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