

ATTACHMENT F **2025-26 Proposed Rates** **Real Estate Services**

The Real Estate Services Department (RESA) consists of two billable sections: the Leasing and Property Management section and Appraisal and Acquisition section. The primary responsibilities of the Leasing and Property Management section are to negotiate and administer revenue and expenditure leases on behalf of County departments. The Acquisition and Appraisal section provides appraisal, acquisition, and relocation assistance for County departments and, upon request, to other agencies, including the San Bernardino County Transportation Authority (SBCTA), the State of California, and various cities.

Expenditure leases with payments greater than or equal to \$36,000 per year have a rate based on a percentage of the total annual lease payments. All other services, including revenue and expenditure leases with less than a \$36,000 annual lease cost, are charged on an hourly basis.

Changes to Rates for FY2025-26:

The 2025-26 proposed percentage of total annual lease cost for expenditure leases greater than \$36,000 will decrease from 3% to 2.75% (0.25% decrease) primarily due to the increased size of the lease portfolio. The internal hourly rate is proposed to increase from \$109/Hour to \$126/Hour (16% increase) and the external hourly rate that is charged to outside customers (e.g. SBCTA and cities) will increase from \$116/Hour to \$133/Hour (15% increase) primarily due to an increase in salaries and benefits costs and a shift in costs from expenditure leases greater than \$36,000, to adequately align costs of providing service.

Leasing and Acquisition Services	Current Internal Rate	Proposed Internal Rate	Current External Rate	Proposed External Rate
Expenditure Leases ≥ \$36,000	3% of Annual Lease Cost	2.75% of Annual Lease Cost	N/A	N/A
Expenditure Leases < \$36,000	\$109/Hour	\$126/Hour	\$116/Hour	\$133/Hour
Revenue Leases	\$109/Hour	\$126/Hour	\$116/Hour	\$133/Hour
All Other Services	\$109/Hour	\$126/Hour	\$116/Hour	\$133/Hour

Impacts of Changes:

Approval of the rates above will have the following impact:

Leasing and Acquisition Services	2024-25 Revenue (Projected)	2025-26 Revenue (Estimated)	Change	External Revenue	Impact to User Departments
Expenditure Leases ≥ \$36,000	\$2,337,606	\$2,309,622	(\$27,984)	\$0	(\$27,984)
All Hourly Services	\$1,971,100	\$2,469,796	\$498,696	\$13,300	\$485,396

The decrease in revenue for expenditure leases greater than or equal to \$36,000 per year is due to the percentage decrease required from the increased size of the lease portfolio. The estimated increase in revenue for all hourly services for 2025-26 is primarily due to a projected increase in billable hours in 2025-26 resulting from the department being able to recently fill positions that were vacant in 2024-25, which created a shortfall in revenue in the current year (originally estimated to be \$2,536,975 during rate development in the prior year).