



David H. Slaughter
Director

Mission Statement

The Real Estate Services Department partners with county departments and other public agencies to develop innovative, professional processes and provide cost-effective, efficient, high quality and timely support to accomplish their real estate needs to include lease negotiations and documentation, property management, appraisal services, right-of-way acquisitions, land and building purchases, surplus property sales and maintenance of the database inventory of county-owned buildings, land and leased facilities.

GOALS

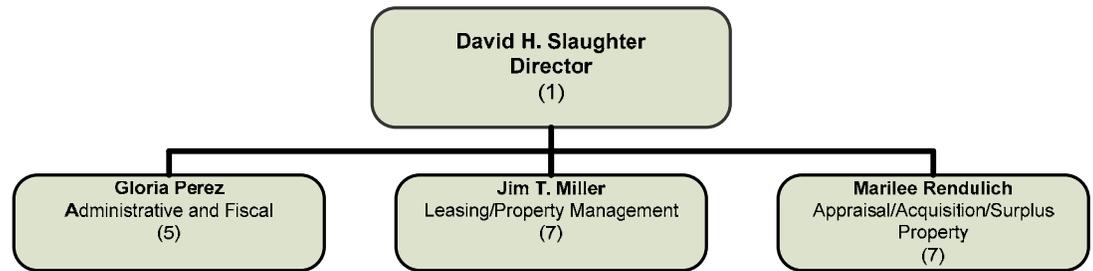
IMPROVE THE QUALITY AND PROFESSIONALISM OF SERVICES PROVIDED TO DEPARTMENTS

IMPROVE CUSTOMER SERVICE WITH DEPARTMENTS THAT LEASE NON-COUNTY OWNED SPACE AND/OR LEASE COUNTY OWNED SPACE TO OTHERS

IMPROVE THE DEPARTMENT'S FISCAL SERVICES BY AUTOMATING MANUAL FISCAL FUNCTIONS AND SYSTEMS

REAL ESTATE SERVICES

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The Real Estate Services Department (RES D) consists of the Leasing/Property Management Division, the Appraisal/Acquisition/Surplus Property Division and the Administrative and Fiscal section.

The primary responsibilities of the Leasing/Property Management Division are to negotiate and administer revenue and expenditure leases on behalf of County departments. Revenue leases allow for the use of county-owned facilities, generally at County parks and airports, and generate revenue to offset expenses incurred to provide such facilities to residents and users. Expenditure leases provide space in leased facilities throughout the County for departments and their employees to support the delivery of services in locations convenient to the residents served. In addition, this Division is responsible for the property management of court facilities within the County and the County-owned land and dairy facilities in the Chino Agriculture Preserve.

The Appraisal/Acquisition/Surplus Property Division provides appraisal, acquisition and relocation assistance for County departments and, upon request, to other agencies including San Bernardino Associated Governments (SANBAG), the State of California, and various cities. The department establishes values and acquires the necessary rights-of-way needed to complete public safety projects, including the construction and maintenance of transportation corridors and floodways. This Division also acquires land and facilities for various functions and disposes of property determined to be surplus to the County's needs.

The Administrative and Fiscal section is responsible for maintaining an inventory of all County land and buildings, including leased facilities, and provides all support functions including budgeting, personnel administration, and automation services.

2009-10 SUMMARY OF BUDGET UNITS

	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Real Estate Services	2,047,134	1,337,460	709,674		20
Rents and Leases	429,355	429,355	-		-
Courts Property Management	2,375,357	2,330,357	45,000		-
Total General Fund	4,851,846	4,097,172	754,674		20
Special Revenue Fund					
Chino Agricultural Preserve	9,308,673	1,161,897		8,146,776	-
Total Special Revenue Fund	9,308,673	1,161,897		8,146,776	-
Total - All Funds	14,160,519	5,259,069	754,674	8,146,776	20

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

GOAL 1: IMPROVE THE QUALITY AND PROFESSIONALISM OF SERVICES PROVIDED TO DEPARTMENTS.

Objective A: Effective use of project management tools.

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
1A. Percentage of project schedules developed that contain milestones, timelines and critical completion dates used for leases for more than 10,000 square feet of space and acquisitions that include five or more parcels.	40%	50%	100%	50%	75%

Status

The necessity and scope of work to lease facilities, acquire property through eminent domain or purchase property for County needs require initial project approval, adherence to Board policies and/or state and federal laws and regulations, appropriate documentation, appraisals, negotiations, approval and execution of completed agreements, and management and oversight as leased facilities, road improvements and flood control measures are constructed. While each lease or property acquisition is typically unique, can be more or less complicated and complex than similar transactions, and vary significantly in the time needed to complete, each involves the same processes and tasks that can be defined with milestones and measured or predicted along a timeline from start to finish, constituting a project schedule.

Beginning in 2007-08, standardized project schedules were developed to track the completion of milestones, adherence to timelines and success in meeting critical completion dates for the larger, more complex projects. The initial application and use of project schedules was for eminent domain acquisitions of right-of-way necessary in order to proceed with the construction of road improvements or flood control facilities since the timely acquisition of the right-of-way for each project is critical in order to initiate construction and to keep the larger, overall project on schedule.

In the past, project schedules were not used in leasing because requests for new facilities slowed considerably in 2007-08 as the overall economy slowed. Most leasing activity since 2007-08 has involved renewals of existing leases to achieve improvements to facilities, lower rents and avoid relocation expenses. Nevertheless, there have been leases approved for new facilities and the use of project schedules will be expanded to this function. During the remainder of 2009-10, a project schedule for leasing will be developed and its use implemented in 2010-11.

GOAL 2: IMPROVE CUSTOMER SERVICE WITH DEPARTMENTS THAT LEASE NON-COUNTY OWNED SPACE AND/OR LEASE COUNTY OWNED SPACE TO OTHERS.

Objective A: Conduct standing periodic (monthly/quarterly) meetings with departments to exchange information and discuss the needs of the department.

Objective B: Increase the number of lease adjustments, such as annual rental increases, in a timely and accurate manner and in accordance with the contract terms.

2008-09 ACCOMPLISHMENTS

- ❖ *Negotiated the \$1,553,900 purchase of the newly constructed 8,400 square foot Phelan Memorial Library on 44,513 square feet of land in the unincorporated area of Phelan which opened in August 2009 and had over 9,000 patron visits in September 2009*
- ❖ *The Transitional Assistance Department consolidated two offices and became the sole occupants of a 49,212 square foot build-to-suit facility and the first Leadership in Energy and Environmental Design (LEED) Certified Green Building occupied in San Bernardino County under a 10-year, \$13,897,000 lease*



New Public Health Facility

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
2B. Percentage of lease adjustments made timely and accurately in accordance with contract terms.	84%	90%	97%	97%	98%

Status

Standing periodic (monthly/quarterly) meetings were established by the department prior to 2005-06 when the use of business plans was first implemented. These meetings have proved, and continue to prove, to be an extremely effective tool for improving customer service by building personal relationships and an understanding by the staff of RESD of the needs, processes and procedures of the County department served as well as an understanding by the County departments served of the needs, processes and procedures of RESD. For those departments with only one to three leases and virtually no property management issues, these meetings are not regularly scheduled, and only occur as needed or requested. Nevertheless, these departments have a designated point-of-contact in the RESD should issues arise.

Among the many benefits that come from these regular meetings is the opportunity to discuss current market conditions with respect to rent and other facilities available to lease; issues and problems with the landlord, tenant or the facility; immediate and future space needs; the need to initiate the County procedures necessary to make changes to facilities, relocate or solicit a new tenant; and the need to make changes to the terms and conditions of the lease agreement with respect to lease rates, tenant improvements, insurance and other provisions. Many of these changes are critical and need to be made timely and accurately as they effect the operations of the department, budgets, the use of available current-year funds, and the safety and welfare of the occupants and constituents that visit the facility.

The department manages more than 239 revenue leases, generally at County parks and airports, and 254 expenditure leases for facilities leased throughout the County to provide space for County employees. As leases near their scheduled termination date, decisions need to be made about whether or not to renew the lease, to search for a larger, smaller or better location, to construct improvements to enhance operations or provide a different use of the space, or to search for a new tenant to increase the amount and improve the quality of revenues. In addition, during the term of leases, rents are typically increased annually based on a percentage and on a specific date, insurance coverages renewed annually, and the maintenance and general condition of the facilities frequently assessed and documented. Decisions need to be made based on accurate information of various types and sources (market rents, availability of other facilities, estimated improvement costs, demand for County-owned space). Adjustments need to be made timely to preclude excessive expenditures at a later date, loss of revenue or lack of insurance coverage.

The percentage of expenditure leases expected to be adjusted according to contract terms has continued to increase. Initially, minor problems were encountered during the transition to a different and improved procedure which resulted in only 84% of adjustments having been done timely. Procedures for identifying and implementing lease adjustments were reviewed and refined and in 2008-09, 90% of adjustments were done timely. The target and current estimate for 2009-10 is 97%.

GOAL 3: IMPROVE THE DEPARTMENT'S FISCAL SERVICES BY AUTOMATING MANUAL FISCAL FUNCTIONS AND SYSTEMS.

Objective A: Identify opportunities to streamline existing manual systems, eliminate duplication of effort, and increase efficiency.

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
3A. Percentage of fiscal tasks automated.	67%	77%	100%	90%	100%

Status

Prior to 2007-08, a large percentage of the fiscal tasks, such as calculating monthly rents and labor charges, were completed manually, and records were kept in hand-written logs. In 2007-08, staff began the task of converting many of these manual processes and paper documents utilizing available technology.

The conversion of the manual billing system was initiated in 2007-08 in collaboration with the Information Services Department and the Architecture and Engineering Department. The system design included automating labor reporting utilizing the County's payroll system and combining that output with departmental project billing information to create billing transfers. The new system (eTime) was intended to reduce staff time spent on numerous fiscal tasks such as manually calculating billable hours and creating billing documents. Due to various complications with data input into the eTime system, that system has not been fully utilized. The department is currently working with the County Administrative Office to determine the best solution to the billing system issues. A review and assessment of the system and internal departmental procedures has begun and resolution is anticipated this year.

The Administrative and Fiscal section continues to make progress towards automating the remaining manual tracking and reporting systems previously used. For 2009-10, the department targeted fiscal tasks automation at 100%; however the current estimate is 90%. This decline is the result of re-examining the billing system, correcting data input, and updating the process.

2010-11 REQUESTS FOR GENERAL FUND FINANCING

The department is not requesting any additional general fund financing.

2010-11 PROPOSED FEE/RATE ADJUSTMENTS

The department does not have any fees in the county fee ordinance; however, the department does charge service rates. Although the department has reduced administrative overhead through staff reductions, the department does intend to request an increase in billing rates for 2010-11 to reflect the structure of the department. The department is also working with the County Administrative Office on a chargeback strategy for services that may potentially reduce the use of general fund financing.

If there are questions about this business plan, please contact David H. Slaughter, Director, at (909) 387-7837.



Construction of new building in Victorville
for Human Services