

NEW LEASE AGREEMENT AT SCM, COUNTY FINANCES \$6 MILLION TENANT IMPROVEMENTS - DETAIL SCHEDULE

Departments: CAO DA BHS Public Health
 (consolidate offices) BOS Probation Social Services IT
 County Counsel Economic Dev Assessor CDD

Net Square Footage 30,545

Lease Terms: Enter into new lease arrangement at Sierra Center Mall for existing square footage of 21,545 plus 9,000 additional square footage (Court's old space). Lease arrangement begins July1 and term is for twelve (12) years. Base lease is for \$1.65 per square foot per month plus share of Common Area Maintenance (CAM) costs. Base rent escalates by 3% per year. Space is delivered "as-is" with no Tenant Improvments (TIs). County obtains \$6 million loan at 3.00% tax-exempt interest per year, payable over ten years (maximum allowed). Loan issued July 1, 2017, initial payment due October 1, 2017. Payments made semi-annually.

Assumptions: External financing for Tenant Improvements - face \$ 6,076,000
 Cost of issuance \$ 76,000
 Interest rate on external financing 3.00%
 Loan term 10 Years
 First payment due 10/1/2017
 Assumes these lease terms can be renewed every twelve years for 85% of the base rent in year twelve of the lease term

Year #	Fiscal Year	TI Loan Payment	Base Rent	Utilities	Repairs & Maintenance	Insurance	Support staffing	Property Taxes	Management Fee	Other	County Internal Costs	Existing Minaret CAMS	Existing - Minaret	TOTAL COSTS	COST PER SQUARE FOOT PER MONTH			Operating Costs
															Base rent & TI Pmt	Operating Cost	Total Cost	
1	FY 2017-2018	419,615	604,800	113,600	3,700	22,000	36,700	44,000	33,000	22,000	51,300	213,400	129,000	1,693,115	\$3.15	\$1.47	\$4.62	539,700
2	FY 2018-2019	672,260	622,900	115,900	3,800	22,700	37,400	44,900	33,700	23,100	52,300	219,800	131,600	1,980,360	\$3.89	\$1.51	\$5.40	553,600
3	FY 2019-2020	672,065	641,600	118,200	3,900	23,400	38,100	45,800	34,400	24,300	53,300	226,400	134,200	2,015,665	\$3.95	\$1.55	\$5.50	567,800
4	FY 2020-2021	671,420	660,800	120,600	4,000	24,100	38,900	46,700	35,100	25,500	54,400	233,200	136,900	2,051,620	\$4.01	\$1.59	\$5.60	582,500
5	FY 2021-2022	672,295	680,600	123,000	4,100	24,800	39,700	47,600	35,800	26,800	55,500	60,000	34,900	1,805,095	\$3.79	\$1.14	\$4.92	417,300
6	FY 2022-2023	671,675	701,000	125,500	4,200	25,500	40,500	48,600	36,500	28,100	56,600	-	-	1,738,175	\$3.74	\$1.00	\$4.74	365,500
7	FY 2023-2024	671,575	722,000	128,000	4,300	26,300	41,300	49,600	37,200	29,500	57,700	-	-	1,767,475	\$3.80	\$1.02	\$4.82	373,900
8	FY 2024-2025	671,935	743,700	130,600	4,400	27,100	42,100	50,600	37,900	31,000	58,900	-	-	1,798,235	\$3.86	\$1.04	\$4.91	382,600
9	FY 2025-2026	671,785	766,000	133,200	4,500	27,900	42,900	51,600	38,700	32,600	60,100	-	-	1,829,285	\$3.92	\$1.07	\$4.99	391,500
10	FY 2026-2027	672,065	789,000	135,900	4,600	28,700	43,800	52,600	39,500	34,200	61,300	-	-	1,861,665	\$3.99	\$1.09	\$5.08	400,600
11	FY 2027-2028	671,775	812,700	138,600	4,700	29,600	44,700	53,700	40,300	35,900	62,500	-	-	1,894,475	\$4.05	\$1.12	\$5.17	410,000
12	FY 2028-2029	-	837,100	141,400	4,800	30,500	45,600	54,800	41,100	37,700	63,800	-	-	1,256,800	\$2.28	\$1.15	\$3.43	419,700
13	FY 2029-2030	-	711,500	144,200	4,900	31,400	46,500	55,900	41,900	39,600	65,100	-	-	1,141,000	\$1.94	\$1.17	\$3.11	429,500
14	FY 2030-2031	-	732,800	147,100	5,000	32,300	47,400	57,000	42,700	41,600	66,400	-	-	1,172,300	\$2.00	\$1.20	\$3.20	439,500
15	FY 2031-2032	-	754,800	150,000	5,200	33,300	48,300	58,100	43,600	43,700	67,700	-	-	1,204,700	\$2.06	\$1.23	\$3.29	449,900
16	FY 2032-2033	-	777,400	153,000	5,400	34,300	49,300	59,300	44,500	45,900	69,100	-	-	1,238,200	\$2.12	\$1.26	\$3.38	460,800
17	FY 2033-2034	-	800,700	156,100	5,600	35,300	50,300	60,500	45,400	48,200	70,500	-	-	1,272,600	\$2.18	\$1.29	\$3.47	471,900
18	FY 2034-2035	-	824,700	159,200	5,800	36,400	51,300	61,700	46,300	50,600	71,900	-	-	1,307,900	\$2.25	\$1.32	\$3.57	483,200
19	FY 2035-2036	-	849,400	162,400	6,000	37,500	52,300	62,900	47,200	53,100	73,300	-	-	1,344,100	\$2.32	\$1.35	\$3.67	494,700
20	FY 2036-2037	-	874,900	165,600	6,200	38,600	53,300	64,200	48,100	55,800	74,800	-	-	1,381,500	\$2.39	\$1.38	\$3.77	506,600
21	FY 2037-2038	-	901,100	168,900	6,400	38,600	53,300	65,500	48,100	55,800	74,800	-	-	1,412,500	\$2.46	\$1.40	\$3.85	511,400
22	FY 2038-2039	-	928,100	172,300	6,600	38,600	53,300	66,800	48,100	55,800	74,800	-	-	1,444,400	\$2.53	\$1.41	\$3.94	516,300
23	FY 2039-2040	-	955,900	175,700	6,800	38,600	53,300	68,100	48,100	55,800	74,800	-	-	1,477,100	\$2.61	\$1.42	\$4.03	521,200
24	FY 2040-2041	-	984,600	179,200	7,000	38,600	53,300	69,500	48,100	55,800	74,800	-	-	1,510,900	\$2.69	\$1.44	\$4.12	526,300
25	FY 2041-2042	-	836,900	182,800	7,200	38,600	53,300	70,900	48,100	55,800	74,800	-	-	1,368,400	\$2.28	\$1.45	\$3.73	531,500
26	FY 2042-2043	-	862,000	186,500	7,400	38,600	53,300	72,300	48,100	55,800	74,800	-	-	1,398,800	\$2.35	\$1.46	\$3.82	536,800
27	FY 2043-2044	-	887,900	190,200	7,600	38,600	53,300	73,700	48,100	55,800	74,800	-	-	1,430,000	\$2.42	\$1.48	\$3.90	542,100
28	FY 2044-2045	-	914,500	194,000	7,800	38,600	53,300	75,200	48,100	55,800	74,800	-	-	1,462,100	\$2.49	\$1.49	\$3.99	547,600
29	FY 2045-2046	-	941,900	197,900	8,000	38,600	53,300	76,700	48,100	55,800	74,800	-	-	1,495,100	\$2.57	\$1.51	\$4.08	553,200
30	FY 2046-2047	-	970,200	201,900	8,200	38,600	53,300	78,200	48,100	55,800	74,800	-	-	1,529,100	\$2.65	\$1.52	\$4.17	558,900
31	FY 2047-2048	-	999,300	205,900	8,400	38,600	53,300	79,800	48,100	55,800	74,800	-	-	1,564,000	\$2.73	\$1.54	\$4.27	564,700
32	FY 2048-2049	-	1,029,300	210,000	8,700	38,600	53,300	81,400	48,100	55,800	74,800	-	-	1,600,000	\$2.81	\$1.56	\$4.37	570,700
33	FY 2049-2050	-	1,060,200	214,200	9,000	38,600	53,300	83,000	48,100	55,800	74,800	-	-	1,637,000	\$2.89	\$1.57	\$4.47	576,800

\$3.72 per square feet in year one with 2% increase per year. Assumes no energy improvements to CAM areas or leased space.

Cost reduction of 80% in year one, escalates as building ages, assumed depreciation rate of 3%.

Cost per square foot increases by 20% because of rehabilitation and 3% increases per year for twenty years, then static.

\$1.20 per square foot in year one with 2% increases per year for twenty years, then static.

\$1.44 per square foot in year one, increasing by 2% per year.

\$1.08 per square foot in year one, increasing by 2% per year for twenty years, then static.

\$0.72 per square foot in year one, increasing by 5% per year for twenty years, then static.

Includes facility staff, utilities and repairs & maint. \$1.68 per square foot, increasing by 2% per year for twenty years, then static.

Year #	Fiscal Year	TI Loan Payment	Base Rent	Utilities	Repairs & Maintenance	Insurance	Support staffing	Property Taxes	Management Fee	Other	County Internal Costs	Existing Minaret CAMS	Existing - Minaret	TOTAL COSTS	COST PER SQUARE FOOT PER MONTH			Operating Costs
															Base rent & TI Pmt	Operating Cost	Total Cost	
34	FY 2050-2051	-	1,092,000	218,500	9,300	38,600	53,300	84,700	48,100	55,800	74,800	-	-	1,675,100	\$2.98	\$1.59	\$4.57	583,100
35	FY 2051-2052	-	1,124,800	222,900	9,600	38,600	53,300	86,400	48,100	55,800	74,800	-	-	1,714,300	\$3.07	\$1.61	\$4.68	589,500
36	FY 2052-2053	-	1,158,500	227,400	9,900	38,600	53,300	88,100	48,100	55,800	74,800	-	-	1,754,500	\$3.16	\$1.63	\$4.79	596,000
37	FY 2053-2054	-	984,700	231,900	10,200	38,600	53,300	89,900	48,100	55,800	74,800	-	-	1,587,300	\$2.69	\$1.64	\$4.33	602,600
38	FY 2054-2055	-	1,014,200	236,500	10,500	38,600	53,300	91,700	48,100	55,800	74,800	-	-	1,623,500	\$2.77	\$1.66	\$4.43	609,300
39	FY 2055-2056	-	1,044,600	241,200	10,800	38,600	53,300	93,500	48,100	55,800	74,800	-	-	1,660,700	\$2.85	\$1.68	\$4.53	616,100
40	FY 2056-2057	-	1,075,900	246,000	11,100	38,600	53,300	95,400	48,100	55,800	74,800	-	-	1,699,000	\$2.94	\$1.70	\$4.64	623,100
Aggregate Costs		\$ 7,138,465	\$ 34,675,000	\$ 6,866,000	\$ 265,600	\$ 1,363,700	\$ 1,956,400	\$ 2,660,900	\$ 1,764,900	\$ 1,845,200	\$ 2,742,500	\$ 952,800	\$ 566,600	\$ 62,798,065				20,418,000
Average Operating		\$ 648,951	\$ 866,875	\$ 171,650	\$ 6,640	\$ 34,093	\$ 48,910	\$ 66,523	\$ 44,123	\$ 46,130	\$ 68,563							
Principal		\$ 6,076,000																
Interest		1,062,465																
Total Debt Service		\$ 7,138,465																