

**NEW LEASE AGREEMENT AT SCM, COUNTY FINANCES \$6 MILLION TENANT IMPROVEMENTS - SUMMARY 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

Loan 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 July 1 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 Improvements (TIs). County obtains \$6 million loan at 5% tax-exempt interest per year, payable over ten years (maximum allowed). Loan

Assumptions: External financing for Tenant Improvements - face \$ 6,000,000  
 Interest rate on external financing 5.00%  
 Loan term 10 Years  
 First payment due 7/1/2018  
 Assumes these lease terms can be renewed every twelve years for 85% of the base rent in year twelve of the lease term

**COST PER SQUARE FOOT PER MONTH (using NSF)**

Year #	Fiscal Year	Base Rent	TI Loan Payment	Operating Costs	Existing Lease Commitments	TOTAL COSTS	Debt		
							Service / Rent Pmt	Operating Cost	Total Cost
1	FY 2017-2018	604,800	-	539,700	129,000	1,273,500	\$2.00	\$1.47	\$3.47
2	FY 2018-2019	622,900	777,027	553,600	131,600	2,085,127	\$4.18	\$1.51	\$5.69
3	FY 2019-2020	641,600	777,027	567,800	134,200	2,120,627	\$4.24	\$1.55	\$5.79
4	FY 2020-2021	660,800	777,027	582,500	136,900	2,157,227	\$4.30	\$1.59	\$5.89
5	FY 2021-2022	680,600	777,027	417,300	34,900	1,909,827	\$4.07	\$1.14	\$5.21
6	FY 2022-2023	701,000	777,027	365,500	-	1,843,527	\$4.03	\$1.00	\$5.03
7	FY 2023-2024	722,000	777,027	373,900	-	1,872,927	\$4.09	\$1.02	\$5.11
8	FY 2024-2025	743,700	777,027	382,600	-	1,903,327	\$4.15	\$1.04	\$5.19
9	FY 2025-2026	766,000	777,027	391,500	-	1,934,527	\$4.21	\$1.07	\$5.28
10	FY 2026-2027	789,000	777,027	400,600	-	1,966,627	\$4.27	\$1.09	\$5.37
11	FY 2027-2028	812,700	777,027	410,000	-	1,999,727	\$4.34	\$1.12	\$5.46
12	FY 2028-2029	837,100	-	419,700	-	1,256,800	\$2.28	\$1.15	\$3.43
13	FY 2029-2030	711,500	-	429,500	-	1,141,000	\$1.94	\$1.17	\$3.11
14	FY 2030-2031	732,800	-	439,500	-	1,172,300	\$2.00	\$1.20	\$3.20
15	FY 2031-2032	754,800	-	449,900	-	1,204,700	\$2.06	\$1.23	\$3.29
16	FY 2032-2033	777,400	-	460,800	-	1,238,200	\$2.12	\$1.26	\$3.38
17	FY 2033-2034	800,700	-	471,900	-	1,272,600	\$2.18	\$1.29	\$3.47
18	FY 2034-2035	824,700	-	483,200	-	1,307,900	\$2.25	\$1.32	\$3.57
19	FY 2035-2036	849,400	-	494,700	-	1,344,100	\$2.32	\$1.35	\$3.67
20	FY 2036-2037	874,900	-	506,600	-	1,381,500	\$2.39	\$1.38	\$3.77
21	FY 2037-2038	901,100	-	511,400	-	1,412,500	\$2.46	\$1.40	\$3.85
22	FY 2038-2039	928,100	-	516,300	-	1,444,400	\$2.53	\$1.41	\$3.94
23	FY 2039-2040	955,900	-	521,200	-	1,477,100	\$2.61	\$1.42	\$4.03
24	FY 2040-2041	984,600	-	526,300	-	1,510,900	\$2.69	\$1.44	\$4.12
25	FY 2041-2042	836,900	-	531,500	-	1,368,400	\$2.28	\$1.45	\$3.73
26	FY 2042-2043	862,000	-	536,800	-	1,398,800	\$2.35	\$1.46	\$3.82
27	FY 2043-2044	887,900	-	542,100	-	1,430,000	\$2.42	\$1.48	\$3.90
28	FY 2044-2045	914,500	-	547,600	-	1,462,100	\$2.49	\$1.49	\$3.99
29	FY 2045-2046	941,900	-	553,200	-	1,495,100	\$2.57	\$1.51	\$4.08
30	FY 2046-2047	970,200	-	558,900	-	1,529,100	\$2.65	\$1.52	\$4.17
31	FY 2047-2048	999,300	-	564,700	-	1,564,000	\$2.73	\$1.54	\$4.27
32	FY 2048-2049	1,029,300	-	570,700	-	1,600,000	\$2.81	\$1.56	\$4.37
33	FY 2049-2050	1,060,200	-	576,800	-	1,637,000	\$2.89	\$1.57	\$4.47
34	FY 2050-2051	1,092,000	-	583,100	-	1,675,100	\$2.98	\$1.59	\$4.57
35	FY 2051-2052	1,124,800	-	589,500	-	1,714,300	\$3.07	\$1.61	\$4.68
36	FY 2052-2053	1,158,500	-	596,000	-	1,754,500	\$3.16	\$1.63	\$4.79
37	FY 2053-2054	984,700	-	602,600	-	1,587,300	\$2.69	\$1.64	\$4.33
38	FY 2054-2055	1,014,200	-	609,300	-	1,623,500	\$2.77	\$1.66	\$4.43
39	FY 2055-2056	1,044,600	-	616,100	-	1,660,700	\$2.85	\$1.68	\$4.53
40	FY 2056-2057	1,075,900	-	623,100	-	1,699,000	\$2.94	\$1.70	\$4.64
	Aggregate costs	\$ 34,675,000	\$ 7,770,270	\$ 20,418,000	\$ 566,600	\$ 63,429,870			

Principal \$ 6,000,000  
 Interest 1,770,270  
 Total TI Debt Service \$ 7,770,270