

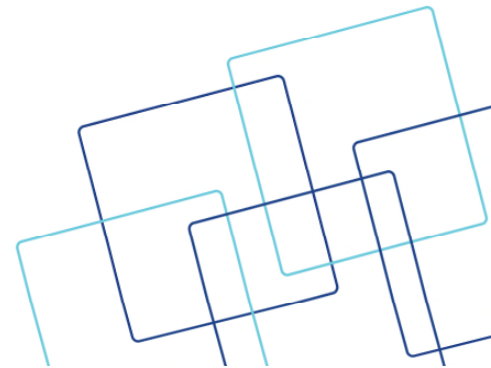


Lease-Leaseback

Presented by: Anne L. Collins

Paso Robles Board of Trustees Meeting

February 23, 2022



Presenters

Anne L. Collins

Anne L. Collins is a Partner in Lozano Smith's Sacramento office and serves as co-chair of the firm's Governance Practice Group. Ms. Collins is an experienced attorney who specializes in various areas of public agency law, including litigation, board governance, and facilities and business matters. Ms. Collins' extensive general counsel and litigation experience helps public agency clients effectively and efficiently navigate and resolve legal issues ranging from the routine to the novel and nuanced.



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Lease Leaseback—What Is It?

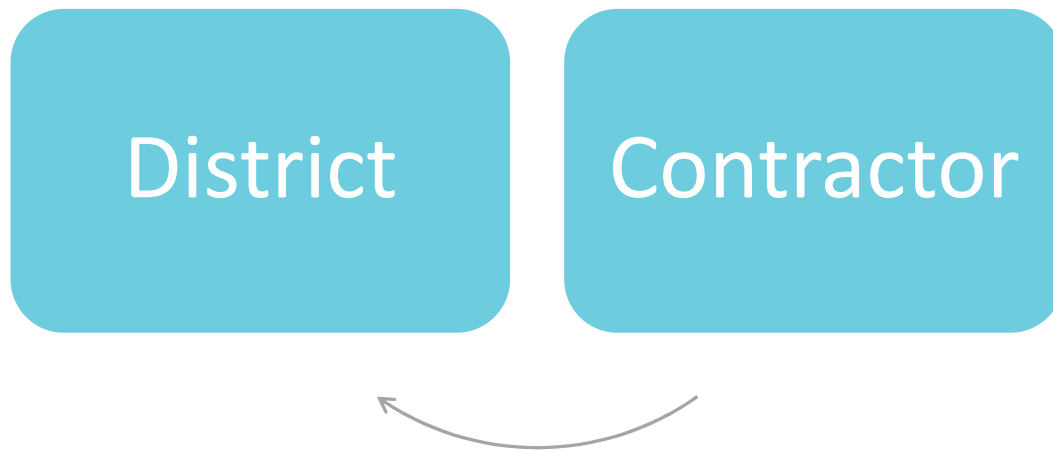
Construction Delivery Method

Other types of delivery methods:

- Design-Bid-Build (Traditional)
- Design-Build
- Multi-Prime

Lease Leaseback—How Does It Work?

District leases land to Contractor



Contractor builds facility at own expense, subleases facility to District

Essential Elements:

- District owned real property.
- Lease and Sublease.
- Title vests at the expiration of lease term.

Lease-Leaseback Process (Post-AB 2316)

Architect designs project.

District issues RFP.

Prequalified contractors submit proposals based on:

- Lump sum price; or
- Percentage or fixed fee (preconstruction services)

District scores proposals based on “best value” (price/fee and qualifications).

Contract awarded to proposer providing the best value to the District.

See Education Code Section 17406

Design-Bid-Build vs. Lease Leaseback

Design-Bid-Build

Pros

- + Clear, objective criteria:
Lowest responsive bid from
a responsible bidder.
- + Maximum competition.

Cons

- Cannot consider factors
other than price in
selecting contractor; any
qualified contractor can
bid.
- No preconstruction
services.

Lease Leaseback

Pros

- + Consider a variety of
factors when selecting a
contractor.
- + Team approach and value
engineering opportunities.
- + Greater price certainty –
(usually)
- + Open book pricing.

Cons

- Price? Skilled/Trained
Workforce Requirements.
- Reduced competition.



QUESTIONS?



*For more information, questions and
comments about the presentation,
please feel free to contact:*

Anne L. Collins

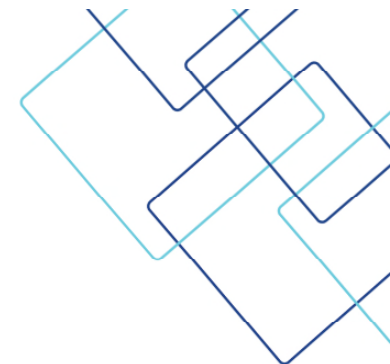
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