

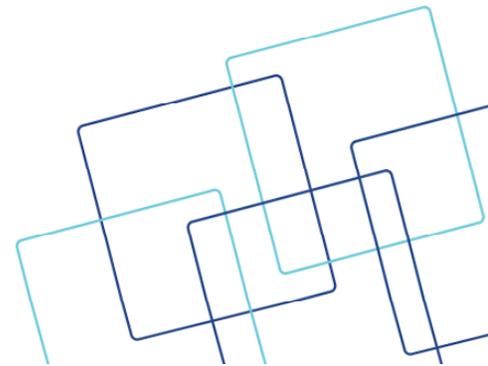


# Lease-Leaseback

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

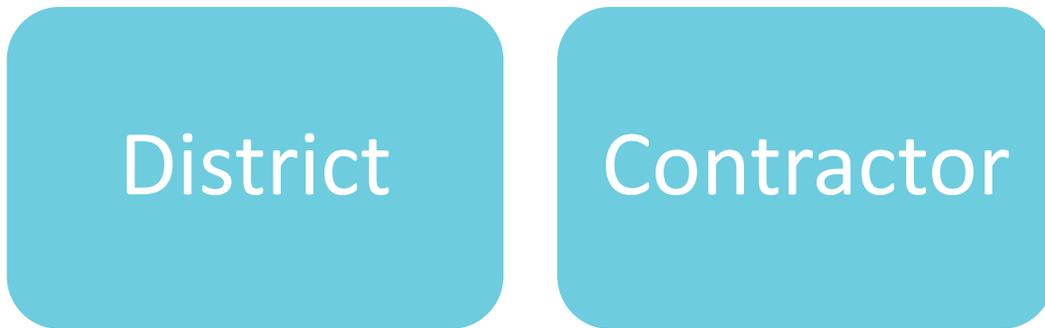
Other types of delivery methods:

- 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**

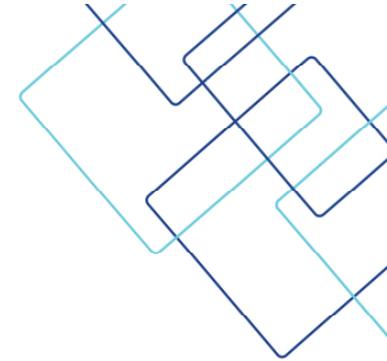
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