

COUNTY LEASED BUILDINGS EXPENDITURE

Internal Investigation

GJ05-055

Reason for the Report

El Dorado County government offices are housed in both county owned and county leased properties. The County pays over \$2.2 million a year on leased properties. El Dorado County continues to unnecessarily lease, rather than own, facilities for county departments. The County should aggressively replace leased facilities with owned facilities.

Scope of the Investigation

Discussions and Interviews with:

- CAO
- General Services personnel
- Auditor and various personnel
- Members of the Board of Supervisors

Documents Reviewed:

- El Dorado County Leased Facilities, rev. 08-24-05
- Building Rents and Leases Spreadsheet
- General Services Proposed Capital Improvement Plan, rev. 01-30-06
- Rental Expenses: FY05 MS Excel Spreadsheet

Background

El Dorado County spent over \$2.2 million on real estate leases in FY2005.

El Dorado County has grown enormously over the past 10 years and will continue to grow. With growth comes the need to increase county services. New personnel require an expanded as well as a safe and adequate workplace.

County citizens are currently paying tax dollars to lease buildings, when their tax dollars could be going toward buildings the county would eventually own.

The County leases certain office space due to program reimbursements from local, State and Federal Governments. Most county health department offices are in leased facilities. There is a misconception that funding sources would be lost if these departments were housed in county owned buildings.

For the benefit of county residents, a current list of the departments housed in leased facilities is attached to this report.

Facts

1. The County paid the following approximate sums for leasing these facilities in FY2005:
 - a. \$175,000 to house the Department of Transportation in South Lake Tahoe
 - b. \$96,000 to house a satellite office to the Building Department in El Dorado Hills
 - c. \$86,000 to lease space for the Probation Department, 471 Pierroz Road, Placerville
 - d. \$79,000 to house the office of the Public Defender in Placerville
 - e. \$68,000 to house the Sheriff's detectives in Diamond Springs
 - f. \$40,000 to house the Department of Transportation in El Dorado Hills
 - g. \$23,900 to lease space for the D.A. Victim Witness/MDIC at 550 Main Street, Placerville
 - h. \$13,755 a year to lease space for a Law Library at 550 Main Street, Placerville
2. Many Governmental health programs will reimburse the County for office space in County owned buildings as well as in County leased buildings.
3. The County has issued bonds in the past to purchase buildings or land.

Findings/Recommendations

1F. Finding: The County spends in excess of \$2,000,000 per year on real estate leases.

1R. Recommendation: The County should purchase land and build facilities for permanent long term use.

2F. Finding: The County currently builds facilities or acquires property on a cash basis.

2R. Recommendation: The County pursue various creative financing options to accelerate acquisition of property and to build facilities, i.e., lease options, land swaps, bonds, lease revenue bonds, County Developer Partnerships, etc.

3F. Finding: It is a misconception by various county officials that the County would lose program reimbursed funds if they were housed in a County owned facility.

3Ra. Recommendation: Analyze program contracts/agreements to determine financial impact of owning versus leasing.

3Rb. Recommendation: Educate senior county managers regarding specific program reimbursement of funds for leased and owned buildings.

A response is required by the Board of Supervisors within ninety (90) days. See Table of Contents, "*Notice to Respondents.*"

El Dorado County Leased Facilities

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
CHILD SUPPORT SERVICES 3057 Briw Road, Suite B Placerville, CA 95667	9,056	04/01/97 03/31/04	0.976	\$106,105.68
HUMAN SERVICES 3057 Briw Road, Suite A Placerville, CA 95667	29,819	01/01/96 12/31/02	1.004	\$359,216.88
LAW LIBRARY 550 Main Street Placerville, CA 95667	1,667	10/01/00 09/30/05	0.688	\$13,755.00
COMM. SER/CARE SERVICES Office Space 630 Main Street Placerville, CA 95667	5,340	09/15/02 09/14/05	1.227	\$78,654.48
HEALTH DEPARTMENT Health Promotions 941 Spring Street, #7 Placerville, CA 95667	960	09/01/00 08/31/03	1.223	\$14,093.28
HEALTH DEPARTMENT EMS/Ambulance Billing 415 Placerville Drive, Suites J, K & L Placerville, CA 95667	3,060	01/01/00 12/31/02	0.961	\$35,271.48
HEALTH DEPARTMENT Vital Statistics 415 Placerville Drive, Suites M & N Placerville, CA 95667	1,320	06/15/02 05/31/05	0.935	\$14,810.52
HEALTH DEPARTMENT Health Promotions 415 Placerville Dr., Suites S & T Placerville , CA 95667	1,320	09/01/03 08/31/06	1.000	\$15,840.00
HEALTH DEPARTMENT Health Promotions 415 Placerville Drive, Suite R Placerville, CA 95667	660	09/20/02 09/19/05	0.913	\$7,227.84
SO STAR PROGRAM 6051 Gold Hill Road Placerville, CA 95667	1,253	01/01/05 12/31/08	n/a	n/a

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
MENTAL HEALTH/Admin. 344 Placerville Drive Suites 12-18 & 20 Placerville, CA 95667	7,567	06/01/98 05/31/03	1.014	\$92,034.00
MENTAL HEALTH 344 Placerville Drive Suite 11 Placerville, CA 95667	1,162	11/01/00 10/31/03	1.025	\$14,288.16
MENTAL HEALTH Day Treatment Program 2808 Mallard Lane Placerville, CA 95667	3,700	05/01/96 04/30/01	1.000	\$44,218.44
D.A. VICTIM WITNESS/MDIC 550 Main Street, Suite H Placerville, CA 95667	1,460	09/01/04	1.250	\$23,900.04
HUMAN SERVICES JOB ONE PROGRAM 4535 Missouri Flat Rd., Suite 1A Placerville, CA 95667	1,838	04/01/99 02/28/06	1.237	\$27,273.84
SHERIFF'S OUTREACH El Dorado Hills Sub-Station 981 Governor Drive, Suite 104 El Dorado Hills, CA 95762	1,004	09/15/04 09/14/07	1.550	\$18,674.40
SHERIFF'S OUTREACH Pollock Pines Sub-Station 6430 Pony Express Trail Pollock Pines, CA 95726	shared space	12/01/03 11/30/08	n/a	n/a
S.O. WNET TASK FORCE 3330 Cameron Park Drive, Suite 900 Cameron Park, CA 95682	1,300	06/01/00 05/31/05	1.212	\$18,912.24
SHERIFF'S DETECTIVES 720 Pleasant Valley Road Diamond Springs, CA 95619	3,755	12/01/04 12/31/08	1.500	\$67,590.00
SHERIFF'S OUTREACH Fort Jim Sub-Station 3700 Fort Jim Rd. Placerville, CA 95667	shared space	12/01/03 11/30/08	n/a	n/a

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
SHERIFF'S STORAGE 3615 China Garden Rd. (Stage Coach) Placerville, CA 95667	4,000	09/20/02 09/19/05	0.702	\$33,708.96
HUMAN SERVICES 5941 Union Mine Road El Dorado, CA 95673	n/a	01/09/96 01/08/06	n/a	\$100.00
HUMAN SVCS- 24 PARKING 3047 Briw Rd. Placerville, CA 95667	24 parking spaces	06/01/01 05/31/03	n/a	\$5,820.00
COMM. SERV./SR. MEAL SITE Shingle Springs Community Center 4440 South Shingle Road Shingle Springs , CA 95682	n/a	07/01/03 06/30/04	n/a	\$12,240.00
COMM. SERV./SR. MEAL SITE Pollock Pines Senior Center 5581 Gail Street Pollock Pines, CA 95726	n/a	07/01/00 04/01/01	n/a	\$5,195.64
COMM. SERV./SR. MEAL SITE Mother Lode Lions Club 1741 Missouri Flat Road Diamond Springs, CA 95619	n/a	07/01/00 06/30/02	n/a	\$18,000.00
PROBATION DEPARTMENT 471 Pierroz Rd. Placerville, CA 95667	7,000	12/12/04 12/11/07	1.028	\$86,378.04
S.O. FIRING RANGE 5941 Union Mine Rd. El Dorado, CA 95673	n/a	01/09/96 01/08/06	n/a	n/a
COUNTY ANIMAL CONTROL 2301 Coolwater Creek Road Placerville, CA 95667	land only	03/08/82 03/09/07	n/a	\$1.00
SHERIFF 3 Training Classrooms 100 Placerville Dr. Placerville, CA 95667	2,520	07/01/99 07/31/03	0.205	\$6,204.00
OAKRIDGE COUNTY LIBRARY 1120 Harvard Way El Dorado Hills, CA 95762	6,400	09/01/99 08/31/04	0.716	\$55,004.00

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
BUILDING DEPARTMENT 4507 Golden Foothill Parkway 3 Sierra El Dorado Hills, CA 95762	6,680	06/20/03 06/30/08	1.204	\$96,480.60
PUBLIC DEFENDER 4327 Golden Center Drive Placerville, CA 95667	5,500	10/01/01 09/30/08	1.136	\$75,000.00
IHSS 694 Pleasant Valley Road, Suite 9 Diamond Springs, CA 95619	2,100	01/01/01 12/31/05	1.126	\$28,362.96
GEORGETOWN ZOB OFFICE 6680 Orleans St., Suite D Georgetown, CA 95634	100	03/01/98 mo to mo	0.900	\$1,080.00
GEORGETOWN LIBRARY 6680 Orleans Street, Suite 3 Georgetown, CA 95634	1,200	10/01/98 09/30/03	0.750	\$10,800.00
MENTAL HEALTH Day Treatment Program 1120 Third Street South Lake Tahoe, CA 96150	3,562	02/10/04 01/31/09	2.004	\$85,650.84
HUMAN SERVICES 971 Silver Dollar South Lake Tahoe, CA 96156	7,200	01/01/01 12/31/05	2.174	\$187,791.48
HUMAN SERVICES 981 Silver Dollar, Suites 1-5 South Lake Tahoe, CA 96156	3,836	01/01/01 12/31/07	2.115	\$97,370.76
MENTAL HEALTH 981 Silver Dollar South Lake Tahoe, CA 96156	3,745	01/01/01 12/31/07	2.115	\$95,027.52
DOT 924 Emerald Bay Road South Lake Tahoe, CA 95616	6,000	04/15/02 04/14/07	2.440	\$175,680.00
HUMAN SERVICES - JOB ONE 1029 Tekala, Suite 5 South Lake Tahoe, CA 96150	477	mo to mo	1.400	\$8,016.00
CHILD SUPPORT SERVICES 924 Emerald Bay Road South Lake Tahoe, CA 96150	6,000	07/15/02 07/14/07	2.451	\$176,448.84

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
DOT SNOW REMOVAL CREW 551 McKinney Creek Road Tahoma, CA 96142	1,408		1.172	\$6,600.00
TOTALS				\$2,218,826.92 annual cost