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communities. This is true for the Lindsay and Woodlake Senior Centers along with several other buildings. The Fire Administration Building located at 907 W.

Visalia Road leases space from the City of Farmersville for a reasonable cost, an arrangement that is favorable to the City, County and ultimately the taxpayer.

3. Over \$550,000 per month (approximately \$6.6 million per year) is spent on fixed leases in the County of Tulare. Several building leases are extremely favorable to the building owners. While office buildings in the County of Tulare can generally be leased at a rate of \$1.15 to \$1.20 per square foot or less, the County of Tulare is spending over \$1.35 per square foot on over 25% of its buildings. The County is renting a building in Tulare for over \$1.60/sq. ft. Some leases have automatic escalator clauses causing the County of Tulare to automatically pay an increase of 2-3% more each year. With private businesses, this is not the case.

In the private sector, only the newest buildings in the best locations, and offices equipped for medical use rent for \$1.35 per square foot or higher. Because there is so much available unoccupied office space within the County, office owners are competing for tenants. The cost per square foot is actually decreasing because of the surplus vacant office space.

4. The County expends large sums of money on building improvements. These improvements belong to the owner upon the termination of the leases. Improvements include things such as new roofs, new carpet, air conditioning systems, wiring for computers, etc. Hundreds of thousands of dollars are spent on buildings not belonging to the County. This is usually a building owner's expense, not a tenant's expense.
5. Many of the leases from the County are in a "pending" or "holdover" status. This means that the lease terminated at an earlier date, yet the County agency is still renting the facility.
6. The terms for leases are varied. Some are year-to-year (the County has an option to extend the lease for an additional year) and some are month-to-month. Some leases have a 5-year term and 5-year option. Some leases are up to 20 years (for example, the Mental Health building located at 303 E. Olive, Porterville).
7. Some of the offices leased through the County are open only 1 hour per day (i.e., Agriculture Office, 250 Antelope Street, Ste. L, Woodlake).
8. Several buildings owned by the County of Tulare are vacant. These include buildings in Dinuba (920 S. College) and Visalia (210 N. Court and 100 E. Center).
9. The County's property list further shows that some properties leased or owned by the County are at taxpayer expense, but are provided to nonprofit or for profit

organizations that are not County agencies or departments. Although there are many worthwhile nonprofit organizations within the county, most nonprofit organizations pay their own rent. For example, the County of Tulare is subsidizing the operations of the Senior Gleaners by allowing the County owned building at 682 S. Main Street, Porterville to be used by this organization. The

Tulare Athletic Boxing Association is another example whereby the County owned building located at 1311 S. "O" Street, Tulare is being provided for this organization. This also includes Blue Cross Anthem, office of former Assemblyman Bill Maze, Kings/Tulare Area Agency on Aging (KTAAA), office of Louis Medina Jr., and the National Council on Alcoholism. Some buildings, being paid for by the County, are for the Housing Authority that has its own operating funds for services, yet the County is paying for two of its facilities (628 and 546 E. Tulare Avenue, Visalia).

10. The County leases over 450,000 square feet of office and warehouse space. Some of the space used by the County is for warehousing documents.
11. According to the Secretary of State website (<http://www.sos.ca.gov/>), some of the entities that the County is leasing from are "merged out" or cancelled corporations.

CONCLUSION

Tulare County is overpaying on much of the leased office and warehouse space within the County. This is especially true for the Health and Human Services Agency leased facilities located in the cities of Visalia, Lindsay and Porterville.

RECOMMENDATIONS

1. Tulare County negotiate more favorable leases, not to exceed the median rents within the county.
2. All Tulare County leases be brought current.
3. Tulare County negotiate for the owners to pay for fixed asset improvements for their buildings such as carpeting, lighting, computer wiring, paint and other improvements. These are assets to the owner not the lessee.
4. Tulare County consolidate its operations into less overall square footage to reduce its fixed costs. This is especially true with warehouse space. Warehousing of documents can be done in vacant buildings owned by the County.
5. Review all non-essential rent subsidies to nonprofit and for-profit organizations.
6. Update Tulare County's list of buildings to include **ALL** leased and owned facilities.

7. Consolidate Tulare County operations that do not need full-time offices. The Agriculture Office in Woodlake is located within 100 feet of another County office (WIC). These two offices could be combined for more effective use of space.
8. Repair and use vacant office buildings, or sell them to private individuals. No buildings should be retained by the County that are not intended for future use.

REQUIRED RESPONSES

Tulare County Board of Supervisors
Tulare County Chief Administrative Officer
Tulare County Health and Human Services Agency
Tulare County Sheriffs Office
Tulare County Department of Agriculture
Tulare County District Attorney's Office
Tulare County Fire Department
Tulare County Probation Department
Director, Tulare County Resource Management Agency