

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

August 22, 2023

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
SHANNON D. DICUS, Sheriff/Coroner/Public Administrator**

SUBJECT

Use Permit Amendment with the City of Needles for Office Space

RECOMMENDATION(S)

1. Find that approval of Amendment No. 2 to Use Permit Agreement No. 14-47 with the City of Needles, to expand the use area within the City-owned building at 1111 Bailey Avenue is an exempt project under the California Environmental Quality Act Guidelines Section 15301 – Existing Facilities (Class I).
2. Approve **Amendment No. 2 to Use Permit Agreement No. 14-47**, to expand the existing use area by 321 square feet, for a total use area of 4,005 square feet, for the remainder of the current term, September 1, 2023 through October 24, 2025, adjust the rental rate schedule, and expand maintenance obligations to be performed by San Bernardino County for 4,005 square feet of office space, located at 1111 Bailey Avenue, Building C, in the City of Needles, in the total amount of \$113,662.
3. Direct the Clerk of the Board of Supervisors to file and post the Notice of Exemption for the project as required under the California Environmental Quality Act.
(Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The total cost of this amendment for the remaining period of the current term is \$113,662. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Sheriff/Coroner/Public Administrator (Sheriff) budget (4430001000). Other costs associated with this use permit include heating, ventilation, and air conditioning system (HVAC) maintenance, custodial services, utility costs, and building maintenance for the total amount of \$90,816 during the revised term, which will be paid from the Sheriff's budget. Sufficient appropriation is included in the Sheriff's and Rents 2023-24 budget and will be included in future recommended budgets. Annual use permit costs are as follows:

<u>Period</u>	<u>Lease Cost</u>	<u>Estimate of Other Costs Associated With This Lease</u>
September 1, 2023 – October 24, 2023*	\$7,930	\$5,748

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October 25, 2023 – October 24, 2024	\$52,866	\$41,700
October 25, 2024 – October 24, 2025	<u>\$52,866</u>	<u>\$43,368</u>
Total Cost	\$113,662	\$90,816

*Partial period of one month, 24 days

BACKGROUND INFORMATION

Amendment No. 2 of Use Permit Agreement No. 14-47 (Agreement) with the City of Needles (City), for the period of September 1, 2023 through October 24, 2025, will provide a 321 square foot expansion of the leased area for a total of 4,005 square feet of City-owned office space, located at 1111 Bailey Avenue, Building C, in Needles (Building), for the remainder of the current term. The amendment will provide for an adjustment to the monthly rent and required maintenance obligations of San Bernardino County (County) to include the additional 321 square feet used by the Sheriff to provide law enforcement services in the Needles area.

On February 11, 2014 (Item No. 28), the Board of Supervisors (Board) approved the Agreement with the City for 2,031 square feet of office space located at the Building in the City. The original term of the Agreement was month-to-month, commencing upon mutual execution of the Agreement. In the nine years since the original approval of the Agreement, the Board approved Amendment No. 1 on October 25, 2022 (Item No. 77), to correct the existing use area from 2,031 square feet to 1,639 square feet, expand the use area by 2,045 square feet for a total use area of 3,684 square feet, convert the month-to-month term to a fixed term of three years for the period of October 25, 2022 through October 24, 2025, adjust the rental rate schedule from no fee to a monthly rental amount, and expand the County maintenance obligations from HVAC only maintenance to building maintenance for the total 3,684 square feet of office space.

In May 2023, the Sheriff requested RESD re-approach the City with a request to add an additional 321 square feet of office space adjacent to the City Council chambers in the Building. The area had been requested by the County as part of the office space expansion and previously rejected by the City as it contained one of two doors necessary to comply with emergency exit requirements. The County offered to provide an additional emergency exit, thereby compensating for the loss of the exit within the added area, to which the City agreed. Amendment No. 2 accomplishes the Sheriff's request.

Amendment No. 2 to the Agreement was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under CEQA Guidelines Section 15301 – Existing Facilities (Class 1), because the approval of an amendment to a lease agreement for an existing facility is an exempt activity under CEQA. There is no possibility that the leasing of the subject property will have a significant effect on the environment; therefore, the activity is not subject to the provisions of CEQA.

Summary of Lease Terms

Lessor:	City of Needles (Rick Daniels, City Manager)
Location:	1111 Bailey Avenue, Building C, Needles
Size:	Approximately 4,005 square feet of office space
Term:	Commencing September 1, 2023 through October 24, 2025
Options:	None

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Rent:	Cost per square foot per month: \$1.10* Monthly: \$4,405.50 Annual: \$52,866.00 * Mid-range for comparable facilities in the Needles area per the competitive set analysis on file with RESD
Annual Increases:	None
Improvement Costs:	Provided by County
Custodial:	Provided by County
Maintenance:	Provided by County
Utilities:	Provided by County
Insurance:	Both entities are self-insured public entities
Right to Terminate:	Upon default by either party
Parking:	Sufficient for County needs

PROCUREMENT

This amendment is exempt from the provisions of County Policy No. 12-02 – Leasing Privately Owned Real Property for County Use because the real property is owned by a governmental agency.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, and Richard Luczak, Deputy County Counsel, 387-5455) on July 11, 2023; Sheriff (Jose Torres, Administrative Manager, 387-3648) on July 24, 2023; Purchasing (Peter Geriguis, Lead Buyer, 387-2573) on July 20, 2023; Finance (Erika Rodarte, Administrative Analyst, 387-4919, and Garrett Baker, Administrative Analyst, 387-4376) on July 28, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on July 31, 2023.

(KB: 677-7961)

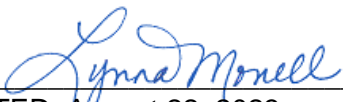
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 22, 2023



cc: RESD - Thompson w/agree w/CEQA & receipt
Contractor - c/o RESD w/agree
File - w/agree w/CEQA & receipt
CCM 08/31/2023