

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

September 23, 2025

FROM

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

SUBJECT

Amendment to Lease Agreement with Seitel Investments, LLC for Office and Garage Space in San Bernardino

RECOMMENDATION(S)

1. Find that approval of Amendment No. 1 to Lease Agreement No. 20-266 with Seitel Investments, LLC for office and garage space, is an exempt project under the California Environmental Quality Act Guidelines, section 15301 – Existing Facilities (Class 1).
2. Approve **Amendment No. 1 to Lease Agreement No. 20-266**, extending the term by exercising the first five-year option to extend the lease agreement for the period of October 1, 2025, through September 30, 2030, with one five-year extension remaining, and updating standard lease agreement language, for approximately 17,726 square feet of office space and 3,720 square feet of garage storage space, for the Sheriff/Coroner/Public Administrator, located at 808 East Mill Street in San Bernardino, for an amount of \$2,922,888, which includes \$147,672 for the permitted four-month holdover period from June 1, 2025, through September 30, 2025, for a new total amount of \$5,014,176.
3. Direct the Real Estate Services Department to file the Notice of Exemption in accordance with the California Environmental Quality Act.

(Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health, and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of Amendment No. 1 (Amendment) to Lease Agreement No. 20-266 (Lease) will not result in the use of Discretionary General Funding (Net County Cost). The total cost of this Amendment is \$2,922,888, which includes a permitted holdover amount of \$147,672. The Amendment adds a utility cap of \$55,305 per year, with 3.5% annual increases; the County will pay excess electric costs above this amount. While the cap is expected to cover normal use, the County may incur additional costs in years of unusually high energy consumption. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Sheriff/Coroner/Public Administrator's (Sheriff) budget (4430001000). Sufficient appropriation is included in the 2025-26 Sheriff and RESD budgets and will be included in future recommended budgets. Annual lease costs are as follows:

Period	Annual Cost
*June 1, 2025 - September 30, 2025	\$147,672

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October 1, 2025 - September 30, 2026	\$522,720
October 1, 2026 - September 30, 2027	\$538,404
October 1, 2027 - September 30, 2028	\$554,556
October 1, 2028 - September 30, 2029	\$571,200
October 1, 2029 - September 30, 2030	\$588,336
Total Cost	\$2,922,888

*Holdover period

BACKGROUND INFORMATION

This Amendment extends the Lease for an additional five years from October 1, 2025, through September 30, 2030, following a permitted four-month holdover from June 1, 2025, through September 30, 2025. The Lease extension is executed under the County’s existing extension option and maintains the same terms and conditions, except for the monthly rent, which will be adjusted to market rates, and adds a utility cap rate at which the County will pay excess electrical charges.

On April 18, 2000 (Item No. 43), the Board of Supervisors (Board) approved the original Lease No. 00-223 with East Mill Street, Ltd. for a term of seven years for office space and garage space, located at 808 East Mill Street in San Bernardino (Premises). The original term was for the period of July 1, 2000, through June 30, 2007. The original Lease was amended by the Board through five amendments, which reflected a change in the ownership, expanded the premises, provided for tenant improvements, adjusted the rental schedule, and extended the term.

Amendment No.	Approval Date	Item No.
1	June 12, 2007	30
2	January 26, 2010	50
3	February 8, 2010	34
4	April 8, 2014	42
*5	May 19, 2020	82

*Terminated Lease Agreement No. 00-223

On May 19, 2020 (Item No. 82), the Board approved a new Lease, which also included the mutual termination of the original Lease. The Lease became effective on June 1, 2020, and provided for the continued use of approximately 17,726 square feet of office space and 3,720 square feet of garage storage space at the Premises. The Lease also included two five-year options to extend the term. The Lease term was from June 1, 2020 through May 31, 2025.

In February 2025, Sheriff requested that RESD process an amendment to exercise the five-year extension option and update the standard lease agreement language. However, due to protracted negotiations with the Landlord over market rates, the lease expired on May 31, 2025, and transitioned into a permitted holdover status. A competitive market analysis conducted by RESD confirmed that the rental rate for the extended term remains competitive. This facility continues to be the best fit for the Sheriff’s operational needs, as it minimizes program disruptions, avoids relocation costs, and enables the Sheriff to continue effectively serving the local community.

The project to approve the Lease was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under CEQA Guidelines Section 15301

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– Existing Facilities (Class 1) because there is no possibility that the leasing of the subject property will have a significant effect on the environment.

Summary of Lease Terms

Lessor: Seitel Investments, LLC
Brian Seitel, President

Location: 808 East Mill Street, San Bernardino

Size: 17,726 square feet of office space
3,720 square feet of garage space

Term: Five years, commencing on October 1, 2025

Options: One five-year option to extend the term

Rent (Office Space): Cost per square foot per month: \$2.30* Full Service Gross
Monthly: \$40,770
Annual: \$489,240

Rent (Garage Space): Cost per square foot per month: \$0.75* Full Service Gross
Monthly: \$2,790
Annual: \$33,480
*Mid-range for comparable facilities in the San Bernardino area per the competitive set analysis on file with RESD

Total Rent (Office + Garage) Cost per square foot per month: \$2.03* Full Service Gross
Monthly: \$43,560
Annual: \$522,720
*Mid-range for comparable facilities in the San Bernardino area per the competitive set analysis on file with RESD

Annual Increases: 3%

Improvement Costs: None

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

Utilities: Provided by Lessor; provided that County pays for electric expenses that exceed an electric utility expense cap of \$55,305 per year, with a 3.5% annual increase at each anniversary of the commencement date

Insurance: The Certificate of Liability Insurance, as required by the Lease, is on file with RESD

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Holdover: In the event the County shall holdover and continue to occupy the premises with the consent of the Landlord, expressed or implied, the tenancy shall be deemed to be a tenancy from month-to-month upon the same terms and conditions, including rent, as existed, and prevailed at the time of the expiration of the term of this Lease

Right to Terminate: County can terminate with 90-day notice

Parking: Sufficient for County needs

PROCUREMENT

County Policy 12-02 does not apply to amendments of existing leases (including an amendment to exercise an option to extend the term of a lease), provided the amendment does not exceed the maximum term (including options) of the lease.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II and Grace Parsons, Deputies County Counsel, 387-5455) on August 25, 2025; Sheriff (Jose Torres, Administrative Manager, 387-3648) on August 20, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on August 21, 2025; and County Finance and Administration (Erika Rodarte, 387-4919, and Eduardo Mora, 387-4376, Administrative Analysts) on September 8, 2025.

(BR: 531-2674)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 23, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree

MBA 09/25/2025