

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

May 20, 2025

FROM

TERRY THOMPSON, Director, Real Estate Services Department
BRETT GODOWN, Director, Department of Airports

SUBJECT

Settlement Agreement with R&R Properties I, LLC for Leased Premises at the Chino Airport

RECOMMENDATION(S)

1. Approve a Settlement **Agreement No. 25-297** with R&R Properties I, LLC, to resolve a dispute related to certain leased premises at Chino Airport, in the amount of \$175,968.
2. Approve **appropriation and revenue adjustments** to fund the **settlement payment** in the total amount of **\$175,968** and authorize the **Auditor-Controller/Treasurer/Tax Collector** to post the necessary budget adjustments, as detailed in the **Financial Impact section (Four votes required)**.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The settlement amount will be provided by the Department of Airport's (Department) budget 6315001000. Revenue was received in the Department's Reserve Fund (2182), which includes a portion to fund the settlement amount that is to be reimbursed to R&R Properties I, LLC (Tenant). The following 2024-25 budget adjustments are necessary for the settlement payment:

Fund Center	Commitment Item/GL Account	Description	Action	Amount
6315001000	52002135	Special Department Expense	Increase	\$175,968
6315001000	40909975	Operating Transfer In	Increase	\$175,968
6311002182	40809970	Other Revenue	Increase	\$175,968
6311002182	55305030	Operating Transfer Out	Increase	\$175,968

BACKGROUND INFORMATION

The County and the Tenant entered into Lease Agreement No. CNO-1128 (Lease) dated March 13, 2013, for certain premises at Chino Airport (Airport), for a term that originally commenced on May 1, 2013, and expired on April 30, 2018, and is currently on a month-to-month holdover. This Lease is for 145.8 acres (Premises) in the northeast corner of the Airport and the Tenant uses the Premises to cultivate sod for commercial sale.

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Due to a right of entry being granted to an adjoining third-party property owner, the Tenant claimed that the County's actions impacted its ability to use portions of the Premises, comprising approximately 83,143 square feet on or about November 25, 2020, and approximately 133,102 square feet on or about January 27, 2021. The right of entry caused the following damage to the Tenant's commercial sod crops growing thereon: inability to harvest said crops and/or plant replacement crops, loss of profits and goodwill, and other damages. Staff reviewed the claim and determined that a dispute existed regarding the right of entry's impact on the Premises. As a result, the parties negotiated \$175,968 as a full and final settlement of the dispute.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Agnes Cheng, Deputies County Counsel, 387-5455) on March 31, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on March 27, 2025; Airports (Brett Godown, Director, and Maureen Snelgrove, Assistant Director, 387-8812) on March 27, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on March 14, 2025; Finance (Eduardo Mora, 387-4376, Administrative Analyst) on April 28, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 4, 2025.

(AR: 501-7579)

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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.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: May 20, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
MBA 05/21/2025