

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

June 28, 2022

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

SUBJECT

Amendment to Lease Agreement with Vanderbilt Property, LLC for Office Space for Arrowhead Regional Medical Center in San Bernardino

RECOMMENDATION(S)

Approve **Amendment No. 1** to Lease **Agreement No. 20-01** with Vanderbilt Property LLC, to reflect a change of property ownership from Vicky L. Thomas, Trustee of the Vicky L. Thomas Trust dated February 7, 2007, to Vanderbilt Property, LLC, affirm the commencement date of the lease as February 1, 2020 and the expiration date as January 31, 2025, and update standard lease agreement language for approximately 17,504 square feet of office space located at 412 West Hospitality Lane for Arrowhead Regional Medical Center in San Bernardino at no additional cost.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

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

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as there is no cost to San Bernardino County (County) associated with this amendment to reflect a change of property ownership, affirm the initial term of the lease, and update the standard lease agreement language.

BACKGROUND INFORMATION

The recommended action will amend an existing lease to reflect a change of property ownership from Vicky L. Thomas, Trustee of the Vicky L. Thomas Trust dated February 7, 2007 (Thomas) to Vanderbilt Property, LLC (Vanderbilt), affirm the commencement date of the lease as February 1, 2020, and the expiration date as January 31, 2025, and update standard lease agreement language.

On January 7, 2020 (Item No. 27), the Board of Supervisors (Board) approved Lease Agreement, No. 20-01, with Thomas for a five-year term with one two-year extension option for approximately 17,504 square feet of office space located at 412 West Hospitality Lane in San Bernardino. The original term of the lease was projected to be for the period of February 1, 2020 through January 31, 2025, subject to Thomas's completion of certain turnkey tenant improvements. Thomas completed the improvements on February 1, 2020, and the parties

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desire to affirm that the commencement date of the lease is February 1, 2020, and the expiration date is January 31, 2025.

The Real Estate Services Department (RESD) was notified on April 11, 2022, that Vanderbilt had acquired ownership of the property from Thomas. Amendment No. 1 to Lease Agreement No. 20-01 reflects a change in property ownership from Thomas to Vanderbilt, affirms that the commencement date of the lease is February 1, 2020, and the expiration date is January 31, 2025, and updates standard lease agreement language. To facilitate the administration of the lease, the amendment also permits the RESD Director to execute future amendments to the lease that solely reflect a successor landlord following a sale of the property and assignment of the lease. All other terms and conditions of the lease remain unchanged.

Staff has reviewed the recommended action pursuant to the California Environmental Quality Act (CEQA) and has determined that it does not constitute a project. Accordingly, no further action is required under CEQA.

Summary of Lease Terms

Lessor:	Vanderbilt Property LLC (Jon Alberon, Managing Member)
Location:	412 West Hospitality Lane, San Bernardino
Size:	17,504 square feet of office space (2 nd Floor)
Term:	Existing term expires on January 31, 2025
Options:	One two-year option
Annual Increases:	Approximately 2%
Improvement Costs:	\$60,444 in turnkey improvements (\$0.10 per square foot per month) constructed by landlord and amortized over the first 36 months of the initial five-year term
Custodial:	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor
Insurance:	The Certificate of Liability Insurance, as required by the lease, is on file with RESD
Right to Terminate:	County has the right to terminate with 90-days' notice effective on or at any time after January 31, 2023
Parking:	Sufficient for County needs

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PROCUREMENT

On January 7, 2020 (Item No. 27), the Board approved Lease Agreement No. 20-01, for a five-year term with one two-year extension option for approximately 17,504 square feet of office space located at 412 West Hospitality Lane in San Bernardino, which was procured according to County Policy 12-02 – Leasing Privately Owned Real Property for County Use (Policy). The procurement process required by the Policy does not apply to amendments of existing leases, 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 (Agnes Cheng, Deputy County Counsel, and Charles Phan, Deputy County Counsel, 387-5455) on June 2, 2022; Arrowhead Regional Medical Center (Andrew Goldfrach, Chief Operating Officer, 580-6170) on April 27, 2022; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on April 27, 2022; Finance (Jenny Yang, Administrative Analyst, 387-4884, and Carl Lofton, Administrative Analyst, 387-5404) on June 8, 2022; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-4376) on June 8, 2022.

(PN: 677-8321)

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 28, 2022



cc: RESD- Thompson w/agree
Contractor- C/O RESD w/agree
File- w/agree
LA 07/15/2022