

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

September 26, 2023

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

TRACY REECE, Chief Probation Officer, Probation Department

SUBJECT

Amendment to Expense Lease Agreement with Woon Baek Chung and Gae Chun Chung for a Parking Lot in Victorville

RECOMMENDATION(S)

1. Find that approval of Amendment No. 5 to Expense Lease Agreement No. 12-758 with Woon Baek Chung and Gae Chun Chung for a parking lot, is an exempt project under the California Environmental Quality Act Guidelines Section 15301 - Existing Facilities (Class 1).
 2. Approve **Amendment No. 5** to Expense Lease **Agreement No. 12-758** with Woon Baek Chung and Gae Chun Chung to extend the term of the lease three years by exercising a three-year option for the period of November 1, 2023 through October 31, 2026, adjust the rent schedule, and update standard lease agreement language, for a 22,145 square foot parking lot with 42 parking spaces, for the Probation Department, located on Bonanza Road in Victorville (Assessor's Parcel Number 0396-071-06), in the amount of \$53,568.
 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

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

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 total cost of this three-year amendment to Expense Lease Agreement No. 12-758 (Lease) is \$53,568. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the Probation Department (PRB) budget (4810001000), which is 100% federally funded. Sufficient appropriation is included in the 2023-24 Rents and Department budgets and will be included in future recommended budgets. Annual lease costs are as follows:

| <u>Year</u> | <u>Annual Lease Cost</u> |
|-------------------------------------|--------------------------|
| November 1, 2023 – October 31, 2024 | \$16,992 |
| November 1, 2024 – October 31, 2025 | \$17,844 |
| November 1, 2025 – October 31, 2026 | <u>\$18,732</u> |
| Total Cost | \$53,568 |

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BACKGROUND INFORMATION

The recommended action will amend the existing Lease with Woon Baek Chung and Gae Chun Chung (Owners) to reflect San Bernardino County (County) extending the term by three years. The amendment will adjust the rental schedule, and update standard lease agreement language because of the continuing need to provide parking for PRB's nearby office space in the Victorville area.

On October 23, 2012 (Item No. 57), the Board of Supervisors (Board) approved the two-year Lease, with one, one-year option to extend the term of the Lease for a 22,145 square foot parking lot with 42 parking spaces located on Bonanza Road in Victorville [Assessor's Parcel Number (APN) 0396-071-06] (Premises), which is located near PRB's office space. The original term of the Lease was for the period of November 1, 2012 through October 31, 2014. In the 11 years since the Lease was originally approved, the Board has approved four amendments to extend the term through October 31, 2023, provide for parking lot improvements, adjust the monthly rent, and add options to extend the term of the Lease.

| <u>Amendment No.</u> | <u>Approval Date</u> | <u>Item No.</u> |
|----------------------|----------------------|-----------------|
| 1 | February 12, 2013 | 36 |
| 2 | July 22, 2014 | 47 |
| 3 | October 20, 2015 | 49 |
| 4 | September 29, 2020 | 53 |

With a continuing need for PRB to provide services in this area of Victorville, PRB requested RESD to prepare an amendment to extend the term of the Lease by three years, through the County's exercise of its three-year extension option, while retaining one, one-year option to extend the term. All other terms and conditions of the Lease remain unchanged.

A companion item on today's agenda recommends the Board approve a three-year extension for Lease Agreement No. 12-753 with R&L Management Services, LLC for PRB's office space located at 15345 Bonanza Road in Victorville for the corresponding period of November 1, 2023 through October 31, 2026.

The project to approve Amendment No. 5 to the Lease with the Owners was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under Guidelines Section 15301 – Existing Facilities (Class 1) because there is no possibility that the leasing of the Premises will have a significant effect on the environment; therefore, the activity is not subject to the provisions of CEQA.

Summary of Lease Terms

| | |
|-----------|--|
| Lessor: | Woon Baek Chung and Gae Chun Chung (Woon Baek Chung and Gae Chun Chung, Owners) |
| Location: | Bonanza Road, Victorville (APN 0396-071-06) |
| Size: | 22,145 square feet (42 Parking Spaces) |
| Term: | Three years commencing on November 1, 2023 |
| Options: | One, one-year option |

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| | |
|---------------------|---|
| Rent: | Cost per square foot per month: \$0.06* Monthly: \$1,416 Annual: \$16,992 *Mid-range for comparable facilities in the Victorville area per the competitive set analysis on file with RESD |
| Annual Increases: | 5% |
| Improvement Costs: | None |
| Maintenance: | Provided by County |
| Utilities: | Provided by County |
| Insurance: | The Certificate of Liability Insurance, as required by the Lease, is on file with RESD |
| Holdover: | With the Consent of the Landlord with the same terms and conditions, including rent |
| Right to Terminate: | County has the right to terminate with 30-days' notice |
| Parking: | Sufficient for County needs |

PROCUREMENT

Amendments of existing leases are exempt from the requirement for a Formal Request for Proposal process as provided in County Policy 12-02 – Leasing Privately Owned Real Property for County Use, 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, Deputy County Counsel, and (Maria Insixiengmay, Deputy County Counsel, 387-5455) on August 7, 2023; Probation (Thomas Kamara, Director of Probation Administration, 387-5822) on August 9, 2023; Purchasing (Michelle Churchill, Supervising Buyer, 387-2070) on August 16, 2023; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412, and Garrett Baker, Administrative Analyst, 387-3077) on August 31, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on August 31, 2023.

(PN: 677-8321)

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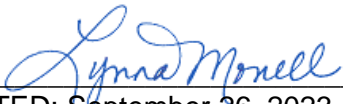
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Jesse Armendarez

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 26, 2023



cc: RESD - Thompson w/ agree, NOE & Rec.
Contractor c/o RESD w/ agree
File w/ agree
JLL 10/12/2023