

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

**May 18, 2021**

**FROM**

**TERRY W. THOMPSON, Director, Real Estate Services Department**

**LARRY AINSWORTH, Chief Information Officer, Innovation and Technology Department**

**SUBJECT**

Amendment No. 3 to Lease Agreement with Western Summit Enterprises, Inc., for Antenna Space for the Innovation and Technology Department at Slate Mountain Communication Site near Trona

**RECOMMENDATION(S)**

1. Approve the Real Estate Services Department's use of an alternative procedure in lieu of a Formal Request for Proposals as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to amend Lease Agreement No. 04-1267 with Western Summit Enterprises, Inc. to provide upgrades to existing ventilation and air conditioning equipment, extend the term of the lease five years for the period of June 1, 2021 through May 31, 2026, following a permitted six-month holdover for the period of December 1, 2020 through May 31, 2021, adjust the rental rate schedule for the extended term, and add two five-year options to extend the term of the lease at the Slate Mountain Communication Site near Trona (for an aggregate term of 31 years if all extension options are exercised).
2. Approve **Amendment No. 3 to Lease Agreement No. 04-1267** with Western Summit Enterprises, Inc., to provide upgrades to existing ventilation and air conditioning equipment, extend the term of the lease agreement five years for the period of June 1, 2021 through May 31, 2026, following a permitted six-month holdover for the period of December 1, 2020 through May 31, 2021, adjust the rental rate schedule for the extended term, and add two five-year options to extend the term of the lease at the Slate Mountain Communication Site near Trona, for the Innovation and Technology Department in the total amount of \$242,078.

(Presenter: Terry W. Thompson, Director, 387-5252)

**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.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total cost of this five-year amendment is \$242,078, which includes holdover rent, rent during the extended term with 3% annual escalation, and a one-time cost of \$4,393 for

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upgrades to the ventilation and air conditioning system. Rents will be paid by the Innovation and Technology Department (ITD). Sufficient appropriation is available in the ITD Telecommunication Services 2020-21 budget and will be included in future recommended budgets. Annual lease costs are as follows:

<u>Period</u>	<u>Lease Cost</u>
December 1, 2020 – May 31, 2021	\$ 24,264*
June 1, 2021 – May 31, 2022	\$ 41,026
June 1, 2022 – May 31, 2023	\$ 42,257
June 1, 2023 – May 31, 2024	\$ 43,525
June 1, 2024 – May 31, 2025	\$ 44,831
June 1, 2025 – May 31, 2026	<u>\$ 46,175</u>
<b>Total Cost:</b>	<b>\$ 242,078</b>

\*Amount includes a one-time expense of \$4,393 for upgrades to the ventilation and air conditioning system.

**BACKGROUND INFORMATION**

The recommended action will amend an existing lease agreement with Western Summit Enterprises, Inc., (Western) for landlord to provide for upgrades to the existing ventilation and air conditioning equipment, extend the term of lease five years for the period of June 1, 2021 through May 31, 2026, following a permitted six-month holdover for the period of December 1, 2020 through May 31, 2021, adjust the rent schedule for the extended term, and add two five-year options to extend the term of the lease.

On December 14, 2004 (Item No. 42), the Board of Supervisors (Board) approved a 15-year Lease Agreement, No. 04-1267 with Western for antenna, rack, and generator space at the Slate Mountain Communication Site near Trona. The original term of the lease was for the period of December 1, 2005 through November 30, 2020. In the 16 years since the lease was originally approved, the Board has approved two amendments to increase both antenna and rack space occupied by the County, replace two existing antennas with two new antennas, and adjust the rent schedule.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	October 23, 2007	34
2	December 19, 2017	48

ITD requested that the Real Estate Services Department (RESA) negotiate an amendment to the lease to provide for upgrades to the ventilation and air conditioning equipment to alleviate seasonal equipment overheating problems, extend the term of the lease for five years, and add two five year extension options. Due to protracted negotiations the lease went into a permitted holdover on December 1, 2020. Lessor has agreed to install new upgraded ventilation and air conditioning equipment for ITD, subject to ITD reimbursing 50% of the cost, provided that such reimbursement shall not exceed \$4,393. This site best meets the technical and programmatic needs of the department and provides reliable emergency radio coverage for the Trona area.

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Amendment No. 3 to Lease Agreement No. 04-1267 will amend the lease for landlord to provide for upgrades to the ventilation and air conditioning equipment, extend the term of the lease agreement five years for the period of June 1, 2021 through May 31, 2026, following a permitted six-month holdover for the period of December 1, 2020 through May 31, 2021, adjust the rent schedule for the extended term, and add two five-year options to extend the term of the lease at the Slate Mountain Communication Site near Trona.

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**

Licensors:	Western Summit Enterprises, Inc., a California corporation dba Mountain Investments (Chris Killian, President)
Location:	Slate Mountain Communication Site, near Trona
Size:	Antenna, rack, and generator space
Term:	Five years, commencing June 1, 2021, following a permitted six-month holdover for the period of December 1, 2019 through May 31, 2021.
Options	Two five-year options to extend the term
Rent:	\$* 24,264 for the first year, including a one-time expense of \$4,393 for upgrades to the ventilation and air conditioning system *Mid-range for comparable facilities in the Trona area per the competitive set analysis on file with RESD
Annual Increases:	3%
Improvement Costs:	County to pay 50% of the HVAC upgrade costs not to exceed \$4,393
Maintenance:	Provided by County for antennas, radio equipment and generator
Utilities:	Provided by County
Insurance:	The Certificate of Liability Insurance, as required by the lease,

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is on file with RESD

Right to Terminate: The County has the right to terminate with 90-days' notice

**PROCUREMENT**

On December 14, 2004 (Item No. 42), the Board approved a 15-year Lease Agreement, No. 04-1267, procured using an alternative procedure process to the use of a formal Request for Proposals (RFP) process as provided in the County Policy 12-02 – Leasing Privately Owned Real Property for County Use (Policy 12-02) as this site best meets the technical and programmatic needs of the department.

Extending the term of the lease for five years and adding two five-year options to extend the term of the lease would normally require a formal RFP. However, Policy 12-02 also provides that the Board may approve the use of an alternative procedure to the formal RFP process whenever the Board determines that compliance with the formal RFP requirements would unreasonably interfere with the financial or programmatic needs of the County or when the use of an alternative procedure would otherwise be in the best interest of the County. Policy 12-02 also requires a thorough and detailed review by the County Administrative Office (CAO) or designee to validate the need for and provide a competitive analysis of any lease with a term of more than 20 years. Extending the term by five years will result in an aggregate term of 21 years and three months. If both five-year options to extend the term of the lease are exercised, it will result in an aggregate lease term of 31 years and three months.

RESD, acting in its approved capacity as the CAO designee to review proposed real property leases under Policy 12-02, completed a competitive analysis of the market and found the current rent to be competitive. In addition, Slate Mountain is the only communication site near Trona that links with the County's public safety communication system and therefore best meets the technical requirements and programmatic needs of the department to provide reliable signal transmission and reception extending to other areas of the county. The Slate Mountain Communication Site was recertified as part of the 800Mhz project upgrade on December 17, 2013. Therefore, RESD recommends the Board's approval to extend the term of the lease five years for the period of June 1, 2021 through May 31, 2026, following a permitted six-month holdover for the period of December 1, 2020 through May 31, 2021 and add two five-year options to extend the term of the lease without the use of a formal RFP process.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel and Bonnie Uphold, Deputy County Counsel, 387-5455) on March 25, 2021; Information and Technology Department (Tim Trager, Chief, Public Safety Communications Division, 388-5563) on March 11, 2021; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on March 9, 2021; Finance (Monique Amis, Administrative Analyst, 387-4883 and Carl Lofton, Administrative Analyst, 387-5404) on April 5, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on April 5, 2021.

(JAG: 677-8210)

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Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: May 18, 2021



cc: RESD - Thompson w/agree  
Contractor - C/O RESD w/agree  
File - w/agree  
CCM 05/19/2021