

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

May 5, 2026

**FROM**

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

**JAMES LOCURTO, Director, Transitional Assistance Department**

**SUBJECT**

Amendment to Lease Agreement with NMSBPCSLDHB, a California Limited Partnership, for Office Space in San Bernardino

**RECOMMENDATION(S)**

1. Find that approval of Amendment No. 3 to Lease Agreement No. 11-88 with NMSBPCSLDHB, a California Limited Partnership, for office space is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class 1).
2. Approve **Amendment No. 3 to Lease Agreement No. 11-88** with NMSBPCSLDHB, a California Limited Partnership, utilizing an alternative procedure pursuant to County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to:
  - a. Extend the term of the lease for five years, from July 1, 2026 through June 30, 2031, by exercising the remaining five-year option.
  - b. Adjust the rental rate schedule.
  - c. Add two additional five-year options to extend the term.
  - d. Add requirement for Landlord to complete specified deferred maintenance.
  - e. Continue leasing approximately 25,515 square feet of office space located at 860 East Brier Drive in San Bernardino for the Transitional Assistance Department.
  - f. Increase the total lease amount by \$3,782,016, from \$11,387,321 to \$15,169,337.
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**

**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 require additional Discretionary General Funding (Net County Cost). The Human Service (HS) Administrative Claim budget is 96% federal and state funded and 4% local share funded. The total cost of Amendment No. 3 (Amendment) to Lease Agreement No. 11-88 (Lease) is \$3,782,016. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the HS Administrative Claim budget (3000456). Other costs associated with Amendment No. 3 include electric and gas utility charges, which will also be paid from the HS Administrative Claim budget.

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Sufficient appropriation is included in the 2026-27 budget and will be included in future recommended budgets. Annual Lease costs are as follows:

<b>Lease Year</b>	<b>Annual Lease Cost</b>
July 1, 2026 - June 30, 2027	\$719,520
July 1, 2027 - June 30, 2028	\$737,508
July 1, 2028 - June 30, 2029	\$755,940
July 1, 2029 - June 30, 2030	\$774,840
July 1, 2030 - June 30, 2031	\$794,208
<b>Total Lease Cost</b>	<b>\$3,782,016</b>

**BACKGROUND INFORMATION**

On March 1, 2011 (Item No. 41), the Board of Supervisors (Board) approved the 10-year Lease, with two five-year options to extend for 25,515 square feet of office space located at 860 East Brier Drive in San Bernardino for the Transitional Assistance Department (TAD). Since the Lease was originally approved, the Board has approved two amendments to provide for tenant improvements, extend the term through use of an option, adjust the rental rate, add options to extend the term of the Lease, and update standard lease agreement language.

<b>Amendment No.</b>	<b>Approval Date</b>	<b>Item No.</b>
1	October 4, 2011	21
2	March 7, 2017	46

TAD requested that RESD process the proposed Amendment to exercise the remaining five-year option to extend the existing term, which is set to expire on June 30, 2026. The Amendment will memorialize the mutual agreement of the parties to extend the Lease term, for the period of July 1, 2026 through June 30, 2031. The Amendment also adjusts the rental rate schedule, adds two additional five-year options, incorporates deferred maintenance requirements for the Landlord, and updates standard lease language. All other terms of the Lease will remain unchanged.

The project to approve the Amendment was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under Section 15301 - Class 1 Existing Facilities because the proposed Lease is to secure property to operate within the existing structure with negligible or no expansion of existing use.

**Summary of Lease Terms**

**Lessor:** NMSBPCSLDHB, a California Limited Partnership  
Greg Eger, General Partner

**Location:** 860 East Brier Drive in San Bernardino

**Size:** Approximately 25,515 square feet of office space

**Term:** July 1, 2026 through June 30, 2031

**Options:** Two five-year options

**Rent:** Cost per square foot per month: \$2.35

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Monthly: \$59,960  
Annual: \$719,520  
\*Mid-range for comparable facilities in the San Bernardino area  
per the competitive set analysis on file with RESD

Annual Increases: Approximately 2.5%

Holdover: Upon the end of the term, if permitted by lessor, the lessee shall continue on a month-to-month term upon the same terms and conditions which existed at the time of expiration

Improvement Costs: None

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

Utilities: Water, sewer, and trash are provided by Lessor, electricity and gas provided by County

Insurance: 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

Parking: Sufficient for County needs

**PROCUREMENT**

Policy 12-02 provides that the Board may approve the use of an alternative procedure in lieu of a Formal Request for Proposal (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.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II and Adam Ebright, Deputies County Counsel, 387-5455) on April 7, 2026; Transitional Assistance (James Locurto, Director, 388-0245) on April 8, 2026; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on April 9, 2026; and County Finance and Administration (Paul Garcia, 386-8392, and Eduardo Mora, 387-4376, Administrative Analysts) on April 17, 2026.

(AH: 840-266-8977)

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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY  \_\_\_\_\_  
DATED: May 5, 2026



cc:    RESD - Thompson w/agree  
      Contractor - c/o RESD w/agree  
      File - w/agree  
MBA   05/11/2026