

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

June 25, 2024

**FROM**

**TERRY W. THOMPSON, Director, Real Estate Services Department  
MELANIE OROSCO, County Librarian, County Library**

**SUBJECT**

Amendment to Lease Agreement with the City of Rialto for Library Space

**RECOMMENDATION(S)**

1. Find that approval of Amendment No. 6 to Lease Agreement No. 05-294 with the City of Rialto for office and library space is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class I).
2. Approve **Amendment No. 6 to Lease Agreement No. 05-294** with the City of Rialto for the use of approximately 12,400 total square feet of office and library space located at 251 West First Street in Rialto, increasing the contract amount by \$124,000, from \$410,856 to \$534,856, extending the term of the Lease by five years, for a total contract period of May 1, 2005 through October 31, 2030, and adding two five-year options to extend the Lease.
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.**

**Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.**

**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, commencing November 1, 2025, is \$534,856. The proposed increase includes a one-time reimbursement payment of \$124,000 for improvement costs, paid from the County Library budget. The remaining amount of \$410,856 includes total lease costs. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the County Library (Library) budget (6403242600). Other costs associated with this Lease include custodial expenses commencing November 1, 2025, which will be paid from the Library budget. Sufficient appropriation is included in the Rents and Library 2023-24 budgets and will be included in future recommended budgets. Annual lease costs are as follows:

<u>Year</u>	<u>Lease Cost</u>	<u>Estimate of Other Costs</u>
July 1, 2024 – one-time lump sum payment	\$124,000	\$0
November 1, 2025 – October 31, 2026	\$ 78,948	\$16,440
November 1, 2026 – October 31, 2027	\$ 80,532	\$16,933
November 1, 2027 – October 31, 2028	\$ 82,140	\$17,441

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November 1, 2028 – October 31, 2029	\$ 83,784	\$17,964
November 1, 2029 – October 31, 2030	<u>\$ 85,452</u>	<u>\$18,503</u>
<b>Total Cost</b>	<b>\$534,856</b>	<b>\$87,281</b>

**BACKGROUND INFORMATION**

The recommended actions will amend an existing lease with the City by approving a one-time lump sum payment for reimbursement of unanticipated City improvement costs, connected to the study area in the library to improve educational opportunities for community use and extend the term of the lease five years, commencing upon the end of the existing term for the period of November 1, 2025 through October 31, 2030, adjust the rental rate schedule, add two additional five-year options to extend the term, and update standard lease agreement language because of the continuing need to provide library services in the Rialto area.

On May 17, 2005 (Item No. 49), the Board of Supervisors (Board) approved the Lease with one three-year option and two one-year options to extend the term with the City for 10,000 square feet of library space located at 251 West First Street. The original term of the Lease was for the period of May 1, 2005 through April 30, 2010. In the 20 years since the lease was originally approved, the Board has approved five amendments to exercise options to extend the term of the lease through October 31, 2025, modify the rental rate schedule, increase the square footage, add two five-year options to extend the term, and update standard lease agreement language.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	May 11, 2010	70
2	April 23, 2013	47
3	June 16, 2015	57
4	October 16, 2018	39
5	September 21, 2021	38

The Library requested that RESD negotiate an extension to the Lease term that expires on October 31, 2025. The amendment extends the term the Lease five years commencing upon the end of the existing term, for the period of November 1, 2025 through October 31, 2030, adjusts the rental rate schedule, adds two five-year options to extend the terms and updates standard lease agreement language. All other terms and conditions of the Lease 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 CEQA Guidelines Section 15301 – Existing Facilities (Class I) because there is no possibility that the leasing of the subject property will have a significant effect on the environment.

This amendment is exempt from the provisions of County Policy No. 12-02 – Leasing Privately Owned Real Property for County Use, as the real property is owned by another governmental entity.

**Summary of Lease Terms**

Lessor: City of Rialto  
Tanya Williams  
Assistant City Manager

Location: 251 West First Street, in Rialto

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Size:	12,400 total square feet
Term:	Five years commencing November 1, 2025
Options:	Two five-year options to extend the term of the Lease
Rent:	Cost per square foot per month: \$0.53* modified gross Monthly: \$6,579 Annual: \$78,948 *Low-range for comparable facilities in the Rialto area as it relates to public entities entering into a lease agreement for the benefit of the public
Annual Increases:	2%
Improvement Costs:	\$124,000, one-time lump sum
Custodial:	Provided by County
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor
Insurance:	Both parties are self-insured public entities
Holdover:	Month-to-month basis upon the same provisions of the Lease and rental rate which existed at the time of expiration
Right to Terminate:	Either party may terminate this agreement with 180-days' notice
Parking:	Sufficient for County needs

**PROCUREMENT**

N/A

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II, and Kaleigh Ragon, Deputies County Counsel, 387-5455) on May 13, 2024; Library (Melanie Orosco, County Librarian, 387-2220) on May 9, 2024; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on May 9, 2024; Finance (Elias Duenas, 387-4052, and Garrett Baker, 387-3077, Administrative Analysts) on June 7, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on June 7, 2024.

(LB/AR: 501-7579)

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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: June 25, 2024



cc: RESD - Thompson w/ agree  
Contractor c/o RESD w/ agree  
File w/ agree  
JLL 07/11/2024