

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

**August 5, 2025**

**FROM**

**TERRY W. THOMPSON, Director, Real Estate Services Department  
ARLENE MOLINA, Director, Preschool Services Department**

**SUBJECT**

Amendment to Lease Agreement with Hwal Soo Shin and Hyun Shin for Office, Classroom Space, Playground, and Parking Area in Highland

**RECOMMENDATION(S)**

1. Find that approval of Amendment No. 10 to Lease Agreement No. 97-118 with Hwal Soo Shin and Hyun Shin, for office, classroom space, playground, and parking area is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class I).
2. Approve **Amendment No. 10 to Lease Agreement No. 97-118** with Hwal Soo Shin and Hyun Shin, through the use of an alternative procedure as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to extend the term of the lease for three years, for the period of September 1, 2025, through August 31, 2028, by exercising the existing option to extend, following a permitted holdover period from March 1, 2024, through August 31, 2025, at a cost of \$78,660, adjust the rental rate schedule, add one three-year option to extend the term of the lease, and update standard lease agreement language, for approximately 3,000 square feet of classroom and office space, 9,700 square feet of playground area, and 15,905 square feet of parking area at 26887 East Fifth Street in Highland, for the Preschool Services Department, in the amount of \$256,692, for a new total contract amount of \$1,562,368.
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.**

**FINANCIAL IMPACT**

Approval of Amendment No. 10 (Amendment) to Lease Agreement No. 97-118 (Lease) will not result in the use of Discretionary General Funding (Net County Cost), as Preschool Services Department (PSD) lease costs are 87% federally funded, 11% state funded, and 2% other funded. The total cost of this Amendment is \$256,692. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the PSD budget (5911682220). Sufficient appropriation is included in the 2025-26 budget and will be included in future recommended budgets. Annual lease costs are as follows:

Lease Year	Annual Lease Cost
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**Amendment to Lease Agreement with Hwal Soo Shin and Hyun Shin for Office, Classroom Space, Playground, and Parking Area in Highland August 5, 2025**

March 1, 2024 – August 31, 2025*	\$78,660
September 1, 2025 – August 31, 2026	\$57,600
September 1, 2026 – August 31, 2027	\$59,328
September 1, 2027 – August 31, 2028	\$61,104
<b>Total Lease Cost:</b>	<b>\$256,692</b>

\*Permitted Holdover Period

**BACKGROUND INFORMATION**

On February 25, 1997 (Item No. 14), the Board of Supervisors (Board) approved the five-year Lease, with three two-year options to extend the term with Kyung Ryal Park and Choon Ja Park for approximately 3,000 square feet of classroom and office space, 9,700 square feet of playground area, and 15,905 square feet of parking area located at 26887 East Fifth Street in Highland (Premises). The original term of the Lease was for the period of September 1, 1996, through August 31, 2001. In the 28 years since the Lease was originally approved, the Board has approved nine amendments to extend the term, reflect a change of ownership, add option periods, and update standard lease agreement language.

<b>Amendment No.</b>	<b>Approval Date</b>	<b>Item No.</b>
1	November 20, 2001	57
2	October 28, 2003	40
3	August 30, 2005	58
4	September 11, 2007	29
5	September 28, 2010	50
6	May 21, 2013	52
7	August 25, 2015	47
8	June 13, 2017	77
9	February 9, 2021	52

PSD requested that RESD negotiate an amendment to extend the existing term which expired on February 29, 2024. Approval of this Amendment was delayed due to continued negotiations concerning the rental rate. On March 1, 2024, the Lease went into a permitted holdover and PSD has continued to occupy the Premises and abide by the terms of the Lease.

The Amendment will extend the term for the period of September 1, 2025, through August 31, 2028, adjust the rental rate schedule, add one three-year option to extend the term and update standard lease agreement language. All other Lease terms 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: Hwal Soo Shin and Hyun Shin

Location: 26887 East Fifth Street, Highland

Size: Approximately 3,000 square feet of classroom and office space, 9,700 square feet of playground area, and 15,905 square feet of

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parking area

Term: September 1, 2025, through August 31, 2028

Options: One three-year option

Rent: Cost per square foot per month: \$1.60  
Monthly: \$4,800  
Annual: \$57,600  
\*Low-range for comparable facilities in the Highland area per the competitive set analysis on file with RESD

Annual Increases: Approximately 3%

Improvement Costs: None

Custodial: Provided by County

Maintenance: Provided by Lessor; except the County provides minor interior maintenance, and maintenance of the grounds, playground, parking areas

Utilities: Provided by County

Insurance: The Certificate of Liability Insurance, as required by the Lease, is on file with RESD

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

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

Parking: Sufficient for County's needs

**PROCUREMENT**

Policy 12-02 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. Approval of the Amendment will yield an aggregate term of 32 years, and a potential aggregate term of 35 years, if the added extension option is exercised.

RESD, acting in its approved capacity as the CAO designee to review proposed real property leases under Policy 12-02, completed a market analysis of comparable properties and found the current rental rate, including annual increases during the three-year extended term, to be competitive. Policy 12-02 provides that the Board may approve the use of an alternative procedure to the use 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. The site best meets the long-

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term requirements of PSD, and if the extension is approved by the Board, would minimize disruption to PSD operations and save moving costs.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II, and Adam Ebright, Deputies County Counsel, 387-5455) on June 24, 2025; Preschool Services (Arlene Molina, Director, 383-2078) on July 30, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on July 1, 2025; and County Finance and Administration (Allegra Pajot, 388-0218, and Eduardo Mora, 387-4376, Administrative Analysts) on July 17, 2025.

(YG: 655-0268)

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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: August 5, 2025



cc: RESD - Thompson w/agree  
Contractor - c/o RESD w/agree  
File - w/agree  
MBA 08/12/2025