

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

October 21, 2025

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
GEORGINA YOSHIOKA, Director, Department of Behavioral Health**

SUBJECT

Amendment to Lease Agreement with 1330 Cooley Drive, LLC, for Office Space in Colton

RECOMMENDATION(S)

1. Find that approval of Amendment No. 6 to Lease Agreement No. 02-159 with 1330 Cooley Drive, LLC, for office space, is exempt under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class 1).
2. Approve **Amendment No. 6 to Lease Agreement No. 02-159** with 1330 Cooley Drive, LLC, through the use of an alternative procedure as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to:
 - a. Extend the term of the lease for five years, for the period of November 1, 2025, through October 31, 2030, following a permitted holdover period from August 1, 2023, through October 31, 2025.
 - b. Provide for turnkey tenant improvements by Landlord at no cost to the County.
 - c. Add two five-year options to extend the lease.
 - d. Adjust the rental rate schedule and update standard lease agreement language.
 - e. Continue leasing approximately 14,565 square feet of office space, located at 1330 E. Cooley Drive in Colton, for the Department of Behavioral Health.
 - f. Increase the total lease amount by \$2,847,326, from \$5,866,288 to a new total amount of \$8,713,614, inclusive of \$805,898 for the permitted holdover period.
 - g. Authorize the Purchasing Agent to issue purchase orders, as necessary, for a total amount not to exceed \$50,000, for any minor change orders that may arise for any County requested modifications or additions to the turnkey tenant improvements set forth in Amendment No. 6 to Lease Agreement No. 02-159 (Four votes required).
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 Amendment No. 6 (Amendment) to Lease Agreement No. 02-159 (Lease) will not result in the use of Discretionary General Funding (Net County Cost). The total cost of the Amendment is funded by 1991 Realignment, Federal Financial Participation Medi-Cal, and Mental Health Services Act funds. Lease payments will be made from the Real Estate Services

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Department (RESO) Rents budget (7810001000) and reimbursed from the Department of Behavioral Health (DBH) budget (9200001000). 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	Lease Cost
*August 1, 2023 – October 31, 2025	\$805,898
November 1, 2025 - October 31, 2026	\$384,516
November 1, 2026 - October 31, 2027	\$396,048
November 1, 2027 - October 31, 2028	\$407,928
November 1, 2028 - October 31, 2029	\$420,168
November 1, 2029 - October 31, 2030	\$432,768
Total Cost:	\$2,847,326

*Holdover Period

BACKGROUND INFORMATION

The original term of the lease was for the period of July 1, 2002, through June 30, 2009. In the 23 years since the Lease was originally approved, the Board has approved five amendments that changed the commencement date, increased square footage, added options to extend, adjusted lease rates, and updated standard lease agreement language.

Amendment No.	Approval Date	Item No.
1	July 9, 2002	39
2	September 22, 2009	35
3	November 6, 2012	57
4	June 14, 2016	103
5	July 28, 2020	52

DBH requested that RESO negotiate an amendment to extend the existing term, which expired on July 31, 2023. Approval of this Amendment was delayed due to continued negotiations concerning the terms and possible tenant improvements to be performed by the Landlord. On August 1, 2023, the Lease went into a permitted holdover and DBH continued to occupy the Premises and abide by its terms.

The Amendment will extend the term for the period of November 1, 2025, through October 31, 2030, following a permitted holdover period from August 1, 2023, through October 31, 2025, for the Premises, provide for turn key tenant improvements by the Landlord at no cost to the County, adjust the rental rate schedule, add two five-year options to extend the term, and update standard lease agreement language. All other terms of the Lease remain unchanged. Pursuant to Lease provisions regarding any County modifications or additions to the Landlord's Improvements, in order to timely complete the Improvements without undue delay, RESO requests, on behalf of DBH, that the Board authorize the Purchasing Agent to issue purchase orders, as necessary, for a total amount not to exceed \$50,000 for any minor change orders that may arise for any County requested modifications or additions to the turnkey tenant improvements set forth in the Lease. Any proposed change orders that cumulatively exceed \$50,000 shall be processed by a formal amendment to the Lease approved by the Board. Public Contract Code 20137 requires four votes by the Board to authorize changes or alterations to a contract where the cost of such change does not exceed 10% of the original contract price but does exceed the amount specified in Public Contract Code sections 20121

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(\$4,000) and 21031 (\$25,000). All change orders and/or contingencies will be approved by RESD prior to authorizing any work or payment(s) to the Landlord.

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: 1330 Cooley Drive, LLC
Jian Torkan, President

Location: 1330 E. Cooley Drive, Colton

Size: Approximately 14,565 square feet of office space

Term: Five years commencing November 1, 2025, through October 31, 2030

Options: Add two five-year options

Rent: Cost per square foot per month: \$2.20
Monthly: \$32,043
Annual: \$384,516
*Mid-range for comparable facilities in the Colton area per the competitive set analysis on file with RESD

Annual Increases: Approximately 3%

Improvement Costs: Landlord, at its sole cost, will complete specified improvements (carpet, paint, ceiling tiles, landscaping, patio furniture) by April 30, 2026, per Exhibit A-1 of the Amendment; no County costs are associated with these improvements

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

Utilities: Provided by Lessor with County to pay for electricity in excess of an electric utility expense cap of \$0.26 per square foot per month subject to 3% annual increases

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

Holdover: Month-to-month term upon the same terms and conditions, including the rent which existed at the time of expiration

Right to Terminate: The County may terminate for default but has no right to terminate the Lease for convenience during the five-year term;

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County 90 Days' Notice Termination Rights resume beginning
November 1, 2030

Parking: Sufficient for County 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 28 years, and a potential aggregate term of 38 years, if the remaining extension options are 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 five-year extended term, to be competitive. The site best meets the long-term requirements of DBH, minimizes disruption to DBH operations, and saves on relocation costs.

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.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Dawn Martin, Deputies County Counsel, 387-5455) on September 25, 2025; Behavioral Health (Lydia Bell, Administrative Manager, 658-1053) on September 23, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on September 19, 2025; and County Finance and Administration (Paul Garcia, 386-8392, and Eduardo Mora, 387-4376, Administrative Analysts) on October 2, 2025.

(JF: 269-1984)

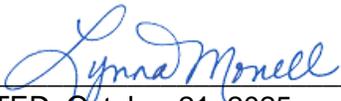
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Record of Action of the Board of Supervisors
San Bernardino County

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: October 21, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
CCM 10/22/2025