

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

July 14, 2020

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

SUBJECT

Amendment No. 3 to Revenue Lease Agreement with the Consolidated Fire Agencies for County-Owned Land and Building at the Emergency Operations Center in Rialto

RECOMMENDATION(S)

Approve **Amendment No. 3** to revenue **Lease Agreement No. 10-991** with the Consolidated Fire Agencies to extend the term of the lease five years through the exercise of an existing extension option for the period of September 1, 2020 through August 31, 2025 and adjust the rental rate for continued use of approximately 12,228 square feet of County-owned land for modular office units and a storage container, and a 3,500 square foot building at 1743 Miro Way in Rialto for total revenue in the amount of \$298,969.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total revenue to be received during this five-year amendment is \$298,969. The revenue received as rent under this amendment includes (i) rent for the land and building and shared use of the parking area, (ii) the cost of utilities incurred by Consolidated Fire Agencies (CONFIRE) for the building and two modular office units and (iii) the cost of basic custodial, operation and maintenance costs and basic ground maintenance services provided by the County through the Real Estate Services Department (RESD) – Facilities Management Division (FMD). Revenue received by the County will be deposited into the Rents budget (78110001000). Annual revenue is as follows:

<u>Year</u>	<u>Annual Revenue</u>
September 1, 2020 – August 31, 2021	\$ 55,753
September 1, 2021 – August 31, 2022	\$ 57,704
September 1, 2022 – August 31, 2023	\$ 59,723
September 1, 2023 – August 31, 2024	\$ 61,813
September 1, 2024 – August 31, 2025	<u>\$ 63,976</u>
Total Revenue	\$298,969

BACKGROUND INFORMATION

The recommended action will amend an existing revenue lease with CONFIRE to extend the term of the lease through CONFIRE's exercise of an existing extension option for the period of

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September 1, 2020 through August 31, 2025 and adjust the rental rate for approximately 12,228 square feet of County-owned land for CONFIRE's modular office units and a storage container, and a 3,500 square foot building at 1743 W. Miro Way in Rialto.

CONFIRE operates a dispatch center at the County Emergency Operations Center (EOC) located at 1743 West Miro Way in Rialto (a portion of Assessor Parcel Number 0249-262-02) within a 3,500 square foot building, constructed jointly by the County and CONFIRE, on land leased by CONFIRE from the County. On November 2, 2010 (Item No. 41), the Board of Supervisors (Board) approved a 10-year Lease Agreement No. 10-991, with two five-year options to extend the term of the lease, with CONFIRE, for approximately 15,088 square feet of County-owned land and the 3,500 square foot office building, located at 1743 West Miro Way in Rialto. The original term of the lease was for the period of September 1, 2010 through August 31, 2020. In the ten years since the lease was originally approved, the Board has approved two amendments to expand the size of the leased area to provide for the placement of two modular office units and a storage container, reflect FMD-provided utilities, basic custodial, operation, and maintenance costs, and basic ground maintenance services, modify the rent to include the FMD-established rates to provide the basic services, and update standard lease agreement language.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	November 15, 2016	41
2	November 6, 2018	40

On February 14, 2020, CONFIRE provided notice to the County of its intention to exercise the first of two existing five-year options to extend the term of the lease, which fell within the time period prescribed for notice in the lease provisions. Amendment No. 3 to Lease Agreement No. 10-991 provides for the continued use, by CONFIRE, of approximately 12,228 square feet of County-owned land for modular office units and a storage container and a 3,500 square foot office building at the County's EOC, through CONFIRE's exercise of an existing five-year extension option for the period of September 1, 2020 through August 31, 2025 and adjusts the rental rate. All other provisions and terms of the lease agreement remain the same.

Summary of Lease Terms

Lessee:	Consolidated Fire Agencies (Mike Bell, Director)
Location:	1743 W. Miro Way, Rialto
Size:	Approximately 12,228 square feet of County-owned land and a 3,500 square foot building
Term:	Five years commencing September 1, 2020
Options:	One five-year option
Rent:	Revenue per month: \$4,646.08* Annual Revenue: \$55,753 *Including utility costs, basic custodial, operation, and maintenance,

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Summary of Lease Terms

	costs, and basic ground maintenance costs at FMD-established rates; Low-range for comparable facilities in the Rialto area per supporting lease comparables on file
Annual Increases:	3.5%
Improvement Costs:	None
Custodial:	Provided by County for basic services for the 3,500 square foot building and for both modular office units and reimbursed by Lessee at FMD-established rates that are included in the rent
Maintenance:	Provided by County for basic services for the 3,500 square foot building and for both modular office units and reimbursed by Lessee at FMD-established rates that are included in the rent; Maintenance costs in excess of basic services are shared equally for the 3500 square foot building and paid solely by Lessee for the modular office units
Utilities:	Provided by County for 3,500 square foot building and for both modular office units and reimbursed by Lessee at FMD-established rates that are included in the rent
Insurance:	Both parties are self-insured public entities
Right to Terminate:	Both parties have the right to terminate with 180-days' notice
Parking:	Twenty-one non-exclusive spaces including handicapped spaces

PROCUREMENT
Not applicable

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel, 387-5455) on June 15, 2020; Finance (Wen Mai, Principal Administrative Analyst, 387-4020) on June 19, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on June 27, 2020.

(KB: 677-7961)

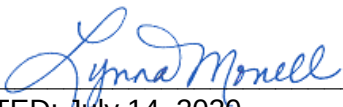
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Curt Hagman, Josie Gonzales
Absent: Dawn Rowe

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: July 14, 2020



cc: RESD- Thompson w/agree
 Contractor- C/O RESD w/agree
 File- w/agree
la 07/20/2020