

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

August 19, 2025

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
CHERYL ADAMS, Deputy Executive Officer, Human Services**

SUBJECT

Amendment to Lease Agreement with Cooley Court, LLC for Storage and Inventory Distribution Space in San Bernardino

RECOMMENDATION(S)

1. Find that approval of Amendment No. 5 to Lease Agreement No. 05-941 with Cooley Court, LLC for storage and inventory distribution space is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 - Existing Facilities (Class 1).
2. Approve **Amendment No. 5 to Lease Agreement No. 05-941** with Cooley Court, LLC, 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 lease term by five years, from September 1, 2025, through August 31, 2030, following a permitted 19-month holdover from February 1, 2024, through August 31, 2025, update standard lease agreement language to continue leasing approximately 48,300 square feet of storage, and inventory distribution space at 1140 E. Cooley Drive in San Bernardino for the Human Services Department, increase the total lease amount by \$3,429,906, for a new total amount of \$9,608,162, inclusive of \$658,806 for the holdover period.
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. 5 (Amendment) to Lease Agreement No. 05-941 (Lease) will not result in the use of Discretionary General Funding (Net County Cost). The total cost of this five-year Amendment is \$3,429,906, which includes \$658,806 for the 19-month permitted holdover. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and fully reimbursed by the Human Services Administrative Claim budget (5010001000), which is 85% federally and state funded and 15% locally funded. Sufficient appropriation is included in the 2025-26 RESD Rents and Human Services (HS) budgets and will be included in future recommended budgets.

Year	Annual Lease Cost
*February 1, 2024 – August 31, 2025	\$658,806
September 1, 2025 – August 31, 2026	\$511,620

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September 1, 2026 – August 31, 2027	\$532,080
September 1, 2027 – August 31, 2028	\$553,368
September 1, 2028 – August 31, 2029	\$575,508
September 1, 2029 – August 31, 2030	\$598,524
Total Cost	\$3,429,906

*Holdover Period

BACKGROUND INFORMATION

On September 20, 2005 (Item No. 26), the Board of Supervisors (Board) approved the 10-year Lease, with two three-year options to extend the term for 48,300 square feet of storage and inventory distribution space at 1140 East Cooley Avenue in San Bernardino. The original term was for the period of September 1, 2006, through August 31, 2016. In the 20 years since the Lease was originally approved, the Board has approved four Amendments to revise the commencement early termination and option dates, authorized additional tenant improvements, adjust the rental rate schedule, extend the lease term, and add two three-year options to extend the term.

Amendment No.	Approval Date	Item No.
1	November 7, 2006	29
2	April 1, 2008	27
3	October 4, 2016	28
4	November 17, 2020	69

On May 5, 2025, Human Services (HS) requested RESD process a five-year extension to the Lease and keep the two three-year options available to use at a later date. RESD conducted a market survey of comparable properties in the San Bernardino area and determined that the \$0.88 per square foot per month rental rate for this lease is a fair market rate. There is an ongoing County need for storage and inventory distribution functions in the San Bernardino area and this location meets the needs for HS. This Amendment allows for the continued use of 48,300 square feet of storage and inventory distribution space in San Bernardino and keeps the two three-year options to extend the term.

The recommended action will amend an existing lease with Cooley Court, LLC (Landlord) to extend the term (following a permitted holdover) five years for the period of September 1, 2025, through August 31, 2030, change the Landlord’s address, adjust the rental rate schedule, keeping two three-year options to extend the term, and update standard lease agreement language for HS, due to the continuing need to provide storage and inventory distribution space for the County in the San Bernardino area.

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 1) because there is no possibility that the leasing of the subject property will have a significant effect on the environment.

Summary of Lease Terms

Lessor: Cooley Court, LLC
Donald Kaplan, Manager

Location: 1140 East Cooley Drive, San Bernardino

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Size: 48,300 square feet (storage and inventory distribution space)

Term: Five years, September 1, 2025, through August 31, 2030

Options: Two three-year options to extend remain

Rent: Cost per square foot per month: \$0.88* (Modified Gross)
Monthly: \$42,635
Annual: \$511,620
*Mid-range for comparable facilities in the San Bernardino area per the competitive set analysis on file with RESD

Annual Increases: 4%

Improvement Costs: None

Custodial: Provided by County

Maintenance: Provided by Lessor

Utilities: Provided by County

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

Holdover: Month-to-month at same terms if permitted by Lessor

Right to Terminate: County may terminate with 90-days' written notice

Parking: 78 parking spaces, sufficient for County needs

PROCUREMENT

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 Daniella Hernandez, Deputies County Counsel, 387-5455) on July 17, 2025; Human Services (Cheryl Adams, Deputy Executive Officer, 388-0332) on July 22, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on July 18, 2025; and County Finance and Administration (John Hallen, 388-0208, and Eduardo Mora, 387-4376, Administrative Analysts) on July 31, 2025.

(DM: 677-8388)

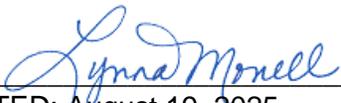
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Record of Action of the Board of Supervisors
San Bernardino County

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 19, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
MBA 08/22/2025