

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

May 20, 2025

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

SHARON NEVINS, Director, Department of Aging and Adult Services

SUBJECT

Amendment to Lease Agreement with Bear Valley Medical Business Center, LLC for Office Space in Victorville

RECOMMENDATION(S)

1. Find that approval of Amendment No. 6 to Lease Agreement No. 01-443 with Bear Valley Medical Business Center, LLC for office space, is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class 1).
2. Approve **Amendment No. 6 to Lease Agreement No. 01-443** with Bear Valley Medical Business Center, LLC to extend the term five years for the period of June 1, 2025, through May 31, 2030, following a permitted holdover for the period of December 9, 2024, through May 31, 2025, adjust the rental rate schedule, include a five-year option to extend, and update standard lease agreement language, for 12,684 square feet of office space located at 17270 Bear Valley Rd in Victorville, for the Department of Aging and Adult Services in Victorville, in the amount of \$1,993,434 including the permitted holdover amount of \$159,328, for a new total amount of \$6,405,650.
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. 01-443 (Lease) will not result in the use of additional Discretionary General Funding (Net County Cost). The total cost of this Amendment, including the permitted holdover, is \$1,993,434. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Human Services (HS) Administrative Claim budget (5015011000). The HS Administrative Claim budget is 85% federal and state funded and 15% Local Share which is a blend of Realignment and Discretionary General Funding (Net County Cost). Sufficient appropriation is included in the 2024-25 HS Administrative Claim and RESD budgets and will be included in future recommended budgets. Annual lease costs are as follows:

Year	Annual Lease Cost
*December 9, 2024, through May 31, 2025	\$159,328

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June 1, 2025, through May 31, 2026	\$345,512
June 1, 2026, through May 31, 2027	\$356,167
June 1, 2027, through May 31, 2028	\$366,821
June 1, 2028, through May 31, 2029	\$377,476
June 1, 2029, through May 31, 2030	\$388,130
Total Cost	\$1,993,434

*Holdover Period

BACKGROUND INFORMATION

The recommended action will amend the Lease with Bear Valley Medical Business Center, LLC (BVMBC), by extending the term five years for the period of June 1, 2025, through May 31, 2030, following a permitted holdover from December 9, 2024, through May 31, 2025, include one five-year option to extend the term, adjust the rental rate, and update standard lease agreement language due to the continuing need for the Department of Aging and Adult Services (DAAS) to provide services for its clients in the Victorville area.

On June 12, 2001 (Item No. 47), the Board of Supervisors (Board) approved the seven-year Lease, with two five-year options and one three-year option to extend the term, for approximately 12,684 square feet of office space identified as Suite 108, located at 17270 Bear Valley Road in Victorville for DAAS. The original term was for the period of March 1, 2002, through February 28, 2009. In the 23 years since the Lease was originally approved, the Board has approved five amendments to reflect multiple changes of ownership, exercise both five-year options to extend the term, adjust the rent schedule, and update lease agreement language.

Amendment No.	Approval Date	Item No.
1	June 4, 2002	70
2	May 5, 2009	25
3	February 25, 2014	47
4	April 5, 2016	48
5	December 10, 2019	29

The Amendment extends the lease term for five years, from June 1, 2025, through May 31, 2030, following a permitted holdover from December 9, 2024, through May 31, 2025, due to longer-than anticipated negotiations. It includes one five-year option to extend the term, adjusts the rental rate, and updates standard lease agreement language. Due to the lack of suitable alternatives for departmental services, as well as the substantial costs of improvements, relocation, and acquiring new furniture, fixtures, and equipment, and given the ongoing negotiations, limited availability in the area, and rising market rates, proceeding with the proposed rate was determined to be the most practical option. Ultimately, the cost of relocating in a higher-rate market was found to exceed the cost of remaining and renewing the lease. 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 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:

Bear Valley Medical Business Center, LLC,
Donald P. Brown, Managing Member

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Location: 17270 Bear Valley Road, Suite 108, Victorville

Size: Approximately 12,684 square feet of office space

Term: Five years commencing June 1, 2025

Options: One five-year option

Rent: Cost per square foot per month: \$2.27
Monthly: \$28,793
Annual: \$345,512
*High-range for comparable facilities in the Victorville area per the competitive set analysis on file with RESD

Annual Increases: 3%

Improvement Costs: None

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

Utilities: Provided by Lessor, except that County pays electric and gas costs that exceed the monthly electric and gas cap subject to 3.5% increases

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

Holdover: County shall continue on a month-to-month term; either party shall have the right to terminate the Lease with not less than ninety (90) days prior written notice during any holdover tenancy

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

Parking: Sufficient for County needs

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Jacqueline Carey-Wilson, Deputies County Counsel, 387-5455) on April 23, 2025; Adult and Aging Services (Sharon Nevins, Director, 891-3917) on April 23, 2025; Purchasing (Aril Gill, Supervising Buyer, 387-2070) on April 18, 2025; Finance (John Hallen, 388-0208, and Edwardo Mora, 387-4376, Administrative Analysts) on April, 30, 2025; and County Finance and Administration (Paloma Hernandez-Barker, County Chief Financial Officer, 387-5423) on May 4, 2025.

(AR: 501-7579)

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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.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 20, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
MBA 05/27/2025