

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

November 19, 2024

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

SUBJECT

Amendment to Lease Agreement with the Town of Apple Valley for Office Space in Apple Valley

RECOMMENDATION(S)

1. Find that approval of Amendment No. 1 to Lease Agreement No. 21-05 with the Town of Apple Valley, for Office Space, is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 - Existing Facilities (Class I).
2. Approve **Amendment No. 1 to Lease Agreement No. 21-05** with the Town of Apple Valley to extend the term of the lease for four years, by exercising an option to extend, for the period of January 5, 2025, through January 4, 2029, adjust the rental rate schedule, and add one four-year option to extend the term of the lease for approximately 2,238 square feet of office space, located at 14955 Dale Evans Parkway in Apple Valley, for the First District Supervisorial Office in the amount of \$334,968, for a new total contract amount of \$562,980, which includes a license to use the Council Chambers and Conference Center at Town Hall and Civic Center Park with amphitheater at 14999 Dale Evans Parkway in Apple Valley, for County events at no additional cost.
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 this item will not result in the use of Discretionary General Funding (Net County Cost). The total cost of Amendment No. 1 (Amendment) to Lease Agreement No. 21-05 (Lease) is \$334,968. Lease payments will be made from the Real Estate Services Department's (RES D) Rents budget (7810001000) and reimbursed from the First District's budget (1001001000). Sufficient appropriation is included in the 2024-25 Rents and First District budgets and will be included in future recommended budgets. Annual Lease costs are as follows:

<u>Year</u>	<u>Annual Cost</u>
January 5, 2025 - January 4, 2026	\$81,276
January 5, 2026 - January 4, 2027	\$82,896
January 5, 2027 - January 4, 2028	\$84,552
January 5, 2028 - January 4, 2029	<u>\$86,244</u>
Total Cost	\$334,968

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BACKGROUND INFORMATION

The recommended action will amend the Lease Agreement with the Town of Apple Valley (Apple Valley), to extend the term for four years for the period of January 5, 2025, through January 4, 2029, by exercising an option to extend, add one four-year option to extend the term, and update standard lease agreement language for 2,238 square feet of office space at Town Hall, located at 14955 Dale Evans Parkway in Apple Valley, in order to provide efficient delivery of services to the various clients the First District Supervisorial Office (First District) serves. This Amendment will continue to include a license to use the Council Chambers and Conference Center at Town Hall, and Civic Center Park with amphitheater at 14999 Dale Evans Parkway in Apple Valley for San Bernardino County (County) events at no additional cost.

On January 5, 2021 (Item No. 33), the Board of Supervisors (Board) approved the Lease with Apple Valley, with one four-year option to extend the term for 2,088 square feet of office space. The original term was for the period of January 5, 2021, through January 4, 2025.

The First District requested that RESD exercise the four-year option to extend the term for the period of January 5, 2025, through January 4, 2029. The lease includes 2,088 square feet of furnished office space, a storage supply room, a 150 square foot conference room, two reserved parking spaces for constituent use along with unassigned parking, shared use of a break room with direct access from the leased space, a server room with available rack space for internet and phone needs, a weight room with lockers, and public counter space sufficient to conduct County business with access for the First District staff through the public lobby of Town Hall. This Amendment will continue to provide the County with a license to use Council Chambers and the Conference Center at Town Hall, including use of the Civic Center Park with amphitheater, located at 14999 Dale Evans Parkway in Apple Valley, for events at no cost. The Amendment extends the term of the Lease for four years, adjusts the rental rate schedule, adds an option to extend the term and updates standard lease agreement language. All other terms and conditions of the Lease remain unchanged.

The project to approve this Amendment was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under Section 15301 - Existing Facilities (Class I) because there is no possibility that the leasing of the subject property will have a significant effect on the environment.

This Lease with Apple Valley is exempt from the procurement process required by County Policy 12- 02 – Leasing Privately Owned Real Property for County Use (Policy) because the Policy does not apply to amendments of existing leases or to leases of premises owned by a federal agency, the State, a city, a county, a school district, a special district, or other public entity.

Summary of Lease Terms

Lessor:	Town of Apple Valley
Location:	14955 Dale Evans Parkway, Apple Valley, CA 92307
Size:	2,238 square feet of office space
Term:	Four years commencing January 5, 2025

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Options:	One four-year option
Rent:	Cost per square foot per month: \$3.03* Monthly: \$6,773 Annual: \$81,276 *High-range for comparable facilities in the Apple Valley area per the competitive set analysis on file with RESD
Annual Increases:	2%
Improvement Costs:	None
Custodial:	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor
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:	Both the County and Apple Valley have the right to terminate with 90-days' notice
Parking:	Sufficient for County needs

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, 387-5455) on October 24, 2024; Board of Supervisors – First District (Kimberly Mesen, District Director, 760-995-8100) on October 29, 2024; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on October 28, 2024; Finance (Garrett Baker, Administrative Analysts, 387-3077) on November 7, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on November 7, 2024.

(YG: 655-0268)

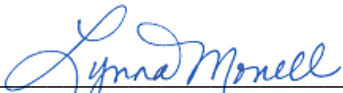
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: November 19, 2024



cc: Real Estate - Thompson w/agree
Contractor - c/o Real Estate w/agree
File - w/agree
MBA 11/25/2024