

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

November 18, 2025

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
JEANY GLASGOW, Director, Children and Family Services**

SUBJECT

Amendment to Lease Agreement with Fontana County CS Building, LLC for Office Space in Fontana

RECOMMENDATION(S)

1. Find that approval of Amendment No. 3 to Lease Agreement No. 10-14 with Fontana County CS Building, 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. 3 to Lease Agreement No. 10-14** with Fontana County CS Building, 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 December 1, 2025, through November 30, 2030, by exercising the second five-year option to extend.
 - b. Adjust the rental rate schedule.
 - c. Add one five-year option to extend and update standard Lease Agreement language.
 - d. Continue leasing approximately 23,409 square feet of office space, located at 17621 Foothill Boulevard in Fontana, for the Department of Children and Family Services.
3. Increase the total Lease amount by \$3,609,912 from \$13,115,818 to a new total amount of \$16,725,730.
4. 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.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of Amendment No. 3 (Amendment) to Lease Agreement No. 10-14 (Lease) will not result in the use of Discretionary General Funding (Net County Cost). The total cost of the Amendment is \$3,609,912, which is funded with a blend of Children and Family Services allocations, which is overall 50% Federal and State and 50% local share (local share is a blend of Realignment, Net County Cost and Wraparound reinvestment). Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Human Services Admin Claim budget (3000172). Sufficient appropriation is included in the 2025-26 budget and will be included in future recommended budgets. Annual Lease costs are as follows:

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Lease Year	Lease Cost
December 1, 2025 – November 30, 2026	\$679,944
December 1, 2026 – November 30, 2027	\$700,344
December 1, 2027 – November 30, 2028	\$721,356
December 1, 2028 – November 30, 2029	\$742,992
December 1, 2029 – November 30, 2030	\$765,276
Total Lease Cost:	\$3,609,912

BACKGROUND INFORMATION

On January 12, 2010 (Item No. 52), the Board of Supervisors (Board) approved the Lease with Fontana County CS Building, LLC for a 10-year term, with two five-year extension options, covering approximately 23,409 square feet of office space, located at 17621 Foothill Boulevard in Fontana. Since the Lease was originally approved 15 years ago, the Board has approved two amendments that extended the term through November 30, 2025, adjusted the square footage, revised the rental rate schedule, added extension options, and updated standard lease agreement language.

Amendment No.	Approval Date	Item No.
1	December 14, 2010	54
2	November 17, 2015	42

Negotiations for the Amendment began in June 2025, to cover the new term of December 1, 2025, through November 30, 2030. As part of the negotiations, RESD conducted a market survey of comparable properties in Fontana and determined that the adjusted rental rate remains within the acceptable market range for specialized-use facilities.

The Amendment will extend the term for the period of December 1, 2025, through November 30, 2030, by exercising the second of two five-year options to extend, adjust the rental rate schedule, add one five-year option to extend and update standard lease agreement language. All other Lease terms 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 Section 15301 – Class 1 Existing Facilities because there is no possibility that the leasing of the subject property will have a significant effect on the environment. Accordingly, no further action is required under CEQA.

Summary of Lease Terms

Lessor: Fontana County CS Building, LLC
Alexander Moradi, Managing Member

Location: 17621 Foothill Boulevard, Fontana

Size: Approximately 23,409 square feet

Term: Five years from December 1, 2025

Options: One five-year Option

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Rent:	Cost per square foot per month (approximately): \$2.42 Monthly: \$56,662 Annual: \$679,944 *Mid-range for comparable facilities in the Fontana area per the competitive set analysis on file with RESD
Annual Increases:	Approximately 3%
Improvement Costs:	None
Custodial:	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor; County to pay electrical costs in excess of \$75,845 per lease year, subject to 4% annual increases (utility cap)
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 of the Lease
Right to Terminate:	County has the right to terminate at the expiration of the five-year term
Parking:	Sufficient for County needs

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II and Daniella Hernandez, Deputies County Counsel, 387-5455) on October 24, 2025; Children and Family Services (Jeany Glasgow, Director, 387-2792) on October 19, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on October 17, 2025; and County Finance and Administration (John Hallen, 388-0208, and Eduardo Mora, 387-4376, Administrative Analysts) on October 29, 2025.

(BR: 531-2674; AR: 501-7579)

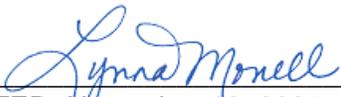
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: November 18, 2025



cc: RESD - Thompson w/agree
 Contractor - c/o RESD w/agree
 File - w/agree
MBA 11/24/2025