

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

August 22, 2023

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
MELANIE OROSCO, County Librarian, County Library**

SUBJECT

Amendment to Lease Agreement with the City of Montclair for Library and Office Space

RECOMMENDATION(S)

Approve **Amendment No. 2 to Lease Agreement No. 07-147** with the City of Montclair, to extend the term of the Lease for the period of September 1, 2023 through August 31, 2028, following a permitted holdover for the period of January 1, 2023 through August 31, 2023, and adjust the rental rate schedule, for the use of approximately 12,275 total square feet of library and office space located at 9955 Fremont Avenue in Montclair, in the amount of \$392,144. (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 this item will not result in the use of Discretionary General Funding (Net County Cost). The total cost of this five-year amendment is \$392,144. Lease payments will be made from the Real Estate Services Department's (RESD) Rents budget (7810001000) and reimbursed from the San Bernardino County (County) Library (Library) budget (6400002600). Sufficient appropriation is included in both the 2023-24 Rents and Library budgets and will be included in future recommended budgets. Annual lease costs are as follows:

<u>Year</u>	<u>Annual Lease Revenue</u>
*January 1, 2023 – August 31, 2023	\$ 39,529
September 1, 2023 – August 31, 2024	\$ 67,758
September 1, 2024 – August 31, 2025	\$ 69,113
September 1, 2025 – August 31, 2026	\$ 70,495
September 1, 2026 – August 31, 2027	\$ 71,905
September 1, 2027 – August 31, 2028	<u>\$ 73,344</u>
Total	\$ 392,144

*Holdover Period

BACKGROUND INFORMATION

The recommended action will amend Lease Agreement No. 07-147 (Lease) with the City of Montclair and extend the term of the Lease for the period of September 1, 2023, through August

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31, 2028, following a permitted holdover for the period of January 1, 2023 through August 31, 2023. The amendment will adjust the rental rate schedule for the use of approximately 12,275 total square feet of library and office space for the County Library located at 9955 Fremont Avenue in Montclair.

On February 27, 2007 (Item No. 58), the Board of Supervisors (Board) approved the Lease with the City of Montclair, for 12,275 square feet of library and office space for the County Library located at 9955 Fremont Avenue in Montclair, for the cost of \$594,960, for the period of January 2007 through December 31, 2016.

On December 5, 2017 (Item No. 47), the Board approved Amendment No. 1 to the Lease with the City of Montclair, extending the original term for five years through December 31, 2022, with one five-year option to extend the term of the lease, for 12,275 square feet of library and office space for the County Library located at 9955 Fremont Avenue in Montclair, for the cost of \$324,072, for the period of January 2018 through December 31, 2022.

On September 30, 2022, the Real Estate Services Department (RESA) began to prepare an amendment to extend the term of the Lease for the period of September 1, 2023 through August 31, 2028. Due to continued negotiations with the City, the Lease went into a permitted month-to-month holdover for the period of January 1, 2023, through August 31, 2023. Either party may terminate the Lease by giving the other party 180-days' prior written notice. All other terms and conditions of the Lease remain the same.

Summary of Lease Terms

Lessor:	City of Montclair (Javier Dutrey, Mayor)
Location:	9955 Fremont Avenue in Montclair
Size:	Approximately 12,275 total square feet
Term:	Five years, September 1, 2023 through August 31, 2028
Options:	One five-year option remaining
Rent:	Cost per square foot per month: \$0.46* Monthly: \$5,646.50 Annual: \$67,758 * Low range for comparable facilities in the Montclair areas as it relates to public entities entering into a lease agreement for the benefit of the public
Annual Increases:	2%
Improvement Costs:	None
Custodial:	Provided by County
Maintenance:	Provided by Lessor except County shall maintain the gazebo located in the courtyard, the alarm system, and clean the

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carpets; County's contribution to major maintenance or capital improvements to be negotiated on a case-by-case basis

Utilities: Provided by Lessor

Insurance: Both parties are self-insured public entities

Holdover: Month-to-month basis upon the same provisions of the Lease

Right to Terminate: Either party has the right to terminate with 180-days' prior written notice

Parking: Sufficient for County needs

PROCUREMENT

On December 5, 2017 (Item No. 47), the Board approved Amendment No. 1 to Lease Agreement No. 07-147, which was exempt from the requirement for a Formal Request for Proposals (RFP) process as provided in the Publicly Owned Real Property exception to County Policy 12-02 Leasing Privately Owned Real Property for County Use, as the lease is with another public entity.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, and Katherine Hardy, Deputy County Counsel, 387-5455) on July 3, 2023; Library (Melanie Orosco, County Librarian, 387-2220) on July 11, 2023; Purchasing (Peter Geriguis, Lead Buyer, 387-2070) on July 10, 2023; Finance (Elias Duenas, Administrative Analyst, 387-4052, and Garrett Baker, Administrative Analyst, 387-4376) on July 28, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on July 31, 2023.

(AR: 893.0002)

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

Lynna Monell, CLERK OF THE BOARD

BY

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DATED: August 22, 2023



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree

CCM 08/31/2023