

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

December 17, 2024

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

ARLENE MOLINA, Interim Director, Preschool Services Department

SUBJECT

Amendment to Lease Agreement with Celeste Lajoinie, a Single Woman for Land for the Preschool Services Department in Apple Valley

RECOMMENDATION(S)

1. Find that approval of Amendment No. 9 to Lease Agreement No. 00-269 with Celeste Lajoinie, a Single Woman, for land is an exempt project under the California Environmental Quality Act Guidelines Section 15301 – Class 1 Existing Facilities.
2. Approve **Amendment No. 9 to Lease Agreement No. 00-269** with Celeste Lajoinie, a Single Woman, 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 term of the lease three years by exercising an existing extension option, for the period of January 1, 2025, through December 31, 2027, following a permitted six-month holdover for the period of July 1, 2024, through December 31, 2024, add one three-year option to extend the term, adjust the rental rate schedule, and update standard lease agreement language, for 38,870 square feet of land for a playground area, bus drop-off site, and auxiliary parking at 13575-13579 Navajo Street in Apple Valley for the Preschool Services Department, increasing the amount by \$201,526, from \$847,592 to a new total contract amount of \$1,049,118.
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 this item will not result in the use of Discretionary General Funding (Net County Cost) as Preschool Services Department's (PSD) lease costs are 90% federally funded and 10% state funded. The total cost of Amendment No. 1 (Amendment) to Lease Agreement No. 00-269 (Lease) is \$201,526, which includes \$26,896 for a permitted six-month holdover. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the PSD budget (5911402220). Annual lease costs are as follows:

<u>Year</u>	<u>Annual Lease Cost</u>
July 1, 2024 - December 31, 2024*	\$26,896

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January 1, 2025 - December 31, 2025	\$55,943
January 1, 2026 - December 31, 2026	\$58,180
January 1, 2027 - December 31, 2027	<u>\$60,507</u>
Total Cost	\$201,526

*Reflects permitted holdover period.

BACKGROUND INFORMATION

The recommended action will amend an existing lease with Celeste Lajoinie, a Single Woman (Celeste), by extending the term three years, and exercising an existing extension option, for the period of January 1, 2025, through December 31, 2027, following a permitted holdover for the period of July 1, 2024, through December 31, 2024. This Amendment will add one three-year option to extend the term, adjust rental rate schedule, and update standard lease agreement language, all other terms shall remain the same. PSD continues to provide playground, bus drop-off and parking areas for PSD's Head Start program. This program is operated from an adjacent building located at 13589 Navajo Road (Premises), which is leased by the County under the provisions of Lease Agreement No. 98-691 with Ashok Talwar and Kay Talwar, Co-Trustees of the Talwar Trust dated June 29, 1989.

PSD has leased land for a playground area, bus drop-off site, and auxiliary parking area since 1995, under Contract No. S-95-029, executed by the Director of RESD on March 8, 1995. The original term of Contract No. S-95-029 was for the period of March 8, 1995, through October 14, 1996. The Director of RESD extended the term of the lease by exercising an option through October 13, 1999. On May 9, 2000 (Item No. 40), the Board of Supervisors (Board) approved an amendment to further extend the term from October 14, 1999, through April 14, 2001, and the agreement was re-named Lease Agreement No. 00-269. In the 24 years since the Board approved the Lease, the Board has approved eight amendments to extend the term, update the rental rate schedule, add additional option periods, reflect the change of ownership and provide updates to various lease provisions.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>	<u>Contract Total</u>
Original	May 9, 2000	40	\$7,368
1	November 6, 2001	49	\$9,120
2	April 30, 2002	45	\$133,808
3	November 20, 2007	40	\$162,240
4	February 14, 2012	34	\$109,068
5	May 8, 2012	32	\$122,676
6	October 20, 2015	50	N/A
7	April 3, 2018	33	\$138,000
<u>8</u>	<u>June 22, 2021</u>	<u>76</u>	<u>\$165,312</u>
Total			\$847,592

On July 1, 2024, the lease went into a permitted holdover period due to discussions surrounding an anticipated improvement on the Premises. To avoid remaining in holdover, PSD requested RESD prepare a standard renewal amendment to exercise the three-year option to extend the term. During the holdover period, PSD has continued to occupy the Premises and abide by the terms of the lease.

The project to approve the Amendment was reviewed pursuant to the California Environmental Quality Act and determined to be categorically exempt under Section 15301 – Class 1 Existing

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Facilities because the Amendment is to secure property to operate within the existing structure with negligible or no expansion of existing use.

Summary of Lease Terms

Lessor:	Celeste Lajoinie, a Single Woman, Owner
Location:	13575-13579 Navajo Street in Apple Valley
Size:	38,870 square feet of land for playground, bus drop-off and parking areas
Term:	Three years commencing January 1, 2025, through December 31, 2027
Options:	One three-year option
Rent:	Cost per square foot per month: Approximately \$0.12* Monthly: \$4,662 Annual: \$55,943 *Low-range for comparable facilities in the Apple Valley area per the competitive set analysis on file with RESD
Annual Increases:	4%
Improvement Costs:	None
Maintenance:	Provided by County
Utilities:	Provided by County
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:	County has the right to terminate with 90-days' notice only if there is a reduction of at least 10% in funding from the Federal Administration for Children and Family or the State Department of Education that is used to fund the lease or the programs/activities performed on the Premises
Parking:	Sufficient for County needs

PROCUREMENT

Policy 12-02 requires a thorough and detailed review by the County Administrative Office (CAO) or designee to validate the need for and provide a competitive analysis of any lease with a term of more than 20 years. Approval of the Amendment will yield an aggregate term of 32 years, and a potential aggregate term of 35 years if the extension option is exercised.

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RESO, acting in its approved capacity as the CAO designee to review proposed real property leases under Policy 12-02, completed a market analysis of comparable properties and found the current rental rate, including annual increases during the three-year extended term, to be competitive. The site best meets the needs and the long-term requirements of the department for space for playground, bus drop-off and parking areas because it is located adjacent to the leased building for preschool operations, which would minimize disruption to preschool operations, and save on moving costs.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Adam Ebright, Deputies County Counsel, 387-5455) on November 20, 2024; Preschool Services (Arlene Molina, Interim Director, 383-2028) on November 18, 2024; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on November 18, 2024; Finance (Paul Garcia, 386-8392, and Garrett Baker, 387-3077, Administrative Analysts) on November 25, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on November 25, 2024.

(YG: 665-0268)

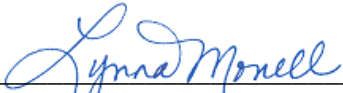
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Record of Action of the Board of Supervisors
San Bernardino County

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: December 17, 2024



cc: RESD - Thompson w/ agree
 Contractor c/o RESD w/ agree
 File w/ agree
JLL 12/27/2024