

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

December 7, 2021

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
VERONICA KELLEY, Director, Department of Behavioral Health**

SUBJECT

Amendment to Lease Agreement with Rich Property, Inc. for Clinic and Office Space for the Department of Behavioral Health in Victorville

RECOMMENDATION(S)

Approve **Amendment No. 4** to Lease **Agreement No. 98-51** with Rich Property, Inc. to reflect a change in property ownership from RVF Properties, LLC to Rich Property, Inc. for approximately 14,515 square feet of clinic and office space for the Department of Behavioral Health located at 12625 Hesperia Road in Victorville, with no change to the total cost or term of August 1, 1998 through the current permitted Holdover period scheduled for renewal March 15, 2022.
(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). There is no cost associated with this amendment to reflect a property ownership change.

BACKGROUND INFORMATION

The recommended action will amend an existing lease agreement to reflect a change in property ownership from RVF Properties, LLC to Rich Property, Inc. for approximately 14,515 square feet of clinic and office space for the Department of Behavioral Health (DBH) located at 12625 Hesperia Road in Victorville.

On January 27, 1998 (Item No. 18), the Board of Supervisors (Board) approved a 10-year Lease Agreement, No. 98-51, with three two-year options to extend the term of the lease for 14,515 square feet of clinic office space at 12625 Hesperia Road in Victorville. The original term of the lease was for the period of August 1, 1998 through July 31, 2008. In the 23 years since the lease was originally approved, the Board has approved three amendments to add 841 square feet of additional space, extend the term of the lease, adjust the rental rate schedule, add additional options to extend the term of the lease, provide for tenant improvements, to reflect a change of ownership, provide authority to the Director of the Real Estate Services Department (RESD) to exercise an extension option, and update standard lease agreement language.

**Amendment to Lease Agreement with Rich Property, Inc. for Clinic and Office Space for the Department of Behavioral Health in Victorville
December 7, 2021**

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	March 7, 2000	35
2	March 17, 2009	43
3	September 25, 2012	55
Option Exercise Notice	November 17, 2020	74

Amendment No. 4 reflects a change of property ownership from RVF Properties, LLC to Rich Property, Inc. All other terms and conditions of the lease remain unchanged.

A Companion Item on today's agenda recommends the Board approve Amendment No. 3 to Lease Agreement No. 02-1013 with Rich Property, Inc. to reflect a change in property ownership from RVF Properties, LLC to Rich Property, Inc. for adjacent clubhouse space.

Staff has reviewed the recommended action pursuant to the California Environmental Quality Act (CEQA) and has determined that it does not constitute a project. Accordingly, no further action is required under CEQA.

Summary of Lease Terms

Lessor:	Rich Properties, Inc. (Chiman Yoo, CEO)
Location:	12625 Hesperia Road, Victorville
Size:	14,515 square feet of clinic and office space
Term:	Three years, term commenced December 1, 2020
Options:	None
Rent:	Cost per sq. ft. per month: \$1.75* full-service gross Monthly: \$25,401 Annual: \$304,812 *Mid -range for comparable facilities in the Victorville area per the competitive set analysis on file with RESD
Annual Increases:	2.5%
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
Right to Terminate:	The County has the right to terminate with 90 days' notice

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Parking: Sufficient for County needs

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel, and Dawn Martin, Deputy County Counsel, 387-5455) on October 29, 2021; Department of Behavioral Health (Erica Ochoa, MBA, CHC – Chief Compliance Officer, 388-0882 and Emily Petrus, Administrative Supervisor, 388-0949) on October 25, 2021; (Carl Lofton, Administrative Analyst, 387-5404 and Chris Lange, Administrative Analyst, 386-8393) on November 16, 2021; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-4376) on November 16, 2021.

(JAG: 677-8210)

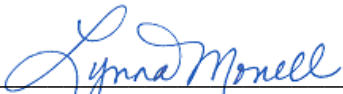
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 7, 2021



cc: RESD- Thompson w/agree
Contractor- C/O RESD w/agree
File- w/agree
LA 12/15/2021