

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

October 27, 2020

FROM

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

SUBJECT

Amendment No. 2 to Lease Agreement No. 16-941 with Tri-City Property, LLC for Office Space for the Department of Behavioral Health in San Bernardino

RECOMMENDATION(S)

Approve **Amendment No. 2** to Lease **Agreement No. 16-941**, with Tri-City Property, LLC, to reflect a change of property ownership from Tri City South Owner, LLC to Tri-City Property, LLC, effective October 11, 2019 per landlord notice, for approximately 7,240 square feet of office space at 621 East Carnegie Drive, Suite 210, in San Bernardino for the Department of Behavioral Health at no cost.

(Presenter: Terry W. Thompson, Director, 387-5252)

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 to the County associated with this amendment, which reflects a change of property ownership only, as notified by the landlord.

BACKGROUND INFORMATION

The recommended action will amend an existing Lease Agreement No. 16-941, to reflect a change of property ownership from Tri City South Owner, LLC (Original Landlord) to Tri-City Property, LLC (Successor Landlord), effective October 11, 2019 per landlord notice, for office space for the Department of Behavioral Health (DBH) located at 621 East Carnegie Drive, Suite 210, in San Bernardino (Property).

On December 20, 2016 (Item No. 67), the Board of Supervisors (Board) approved a 10-year Lease Agreement, No. 16-941, between Original Landlord and the County of San Bernardino (County), for 7,240 square feet of office space for DBH's Alcohol and Drug Services Administration program. The original term of the lease was for the period of May 1, 2017 through April 30, 2027. In the four years since the lease was originally approved, the Board has approved a Subordination, Non-Disturbance and Attornment Agreement, which was labeled the first amendment for administrative purposes, but did not amend the lease.

**Amendment No. 2 to Lease Agreement No. 16-941 with Tri-City Property, LLC for Office Space for the Department of Behavioral Health in San Bernardino
October 27, 2020**

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	March 28, 2017	40

On October 11, 2019, the Successor Landlord notified the County that it had acquired all right, title, and interest in and to the Property and the Lease from the Original Landlord.

The Original Landlord also notified the Real Estate Services Department (RESD) of its sale of the Property to the Successor Landlord. DBH requested RESD amend the lease to reflect the change in Property ownership based on receipt of landlord notice. Amendment No. 2 to Lease Agreement No. 16-941 reflects a change in Property ownership from the Original Landlord to the Successor Landlord. All other provisions and terms of existing lease remain the same.

Summary of Lease Terms

Lessor:	Tri-City Property, LLC (Paul Miskowicz)
Location:	621 East Carnegie Drive, Suite 210, San Bernardino
Size:	7,240 square feet (rent is based on 6,929 square feet of leased space)
Term:	10 years which commenced May 1, 2017; 6 years, 6 months remain of the initial term
Options	None
Rent:	Cost per sq. ft. per month: \$2.04* full service gross Monthly: \$14,759 Annual: \$177,108 *Mid-range for comparable facilities in the San Bernardino area per the competitive set analysis on file with RESD
Annual Increases:	3%
Improvement Costs:	None
Custodial	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor, except that County pays for after-hours Heating, Ventilation, and Air Conditioning
Insurance:	The Certificate of Liability Insurance as required by the lease is on file with RESD
Right to Terminate:	The County has no right to terminate for convenience during the initial 10-year term

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Parking: 28 unreserved parking spaces

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 September 2, 2020; DBH (Michael Knight, Assistant Director, 388-0808 and Emily Petrus, Administrative Supervisor, 388-0949) on August 10, 2020; Finance (Carl Lofton, Administrative Analyst, 387-5404 and Chris Lange, Administrative Analyst, 386-8393) on October 9, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on October 9, 2020.

(JAG: 677-8210)

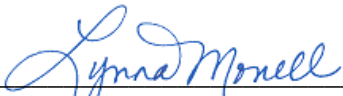
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: October 27, 2020



cc: RESD- Thompson w/agree
Contractor- C/O RESD w/agree
File- w/agree
LA 10/28/2020