

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

May 6, 2025

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

THOMAS W. SONE, Public Defender

SUBJECT

Acquisition of Improved Real Property for Office Space in Colton

RECOMMENDATION(S)

1. Find that the acquisition of approximately 1.16 acres of real property improved with an office building, totaling approximately 20,881 square feet, located at 1550 E. Washington Street, in Colton (Assessor's Parcel Number 0276-542-26-0000), is an exempt project under the California Environmental Quality Act Guidelines, Section 15061 - Common Sense Exemption and Section 15301 – Existing Facilities.
 2. Approve Capital Improvement Program Project No. 25-198 for the acquisition of approximately 1.16 acres of land improved with a 20,881 square foot office building located at 1550 E. Washington Street in Colton (Assessor's Parcel Number 0276-542-26-0000), for an amount not to exceed \$5,000,000.
 3. Authorize the acquisition of approximately 1.16 acres of real property improved with an office building, totaling approximately 20,881 square feet, located at 1550 E. Washington Street in Colton (Assessor's Parcel Number 0276-542-26-0000), in accordance with Government Code Section 25350, at a total cost not to exceed \$5,000,000, consisting of the purchase price of \$4,000,000 and independent consideration payment of \$100, to the seller along with transactional costs totaling \$91,100 for due diligence inspections, escrow expenses, title, and fees, and administrative expenses.
 4. Approve Purchase and Sale **Agreement No. 25-288** and Joint Escrow Instructions with Colton Health & Fitness LLC, a California Limited Liability Company, to set forth the terms of the acquisition of said improved property in Recommendation No. 3, for the purchase price of \$4,000,000 and independent consideration payment of \$100.
 5. Authorize the Director of the Real Estate Services Department to execute escrow instructions and any non-substantive documents necessary to complete this transaction, subject to County Counsel review.
 6. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments to the 2024-25 budget as detailed in the Financial Impact Section (Four votes required).
 7. 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

Improve County Government Operations.

Operate in a Fiscally Responsible and Business-Like Manner.

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May 6, 2025**

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The acquisition of the property located at 1550 E. Washington Street in Colton (Assessor's Parcel Number 0276-542-26-0000) (Property) will be funded by Capital Improvement Project (CIP) No. 25-198, which will be established with funds transferred from CIP No. 20-028 (WBSE 10.10.0908), Public Defender Building Acquisition, originally approved by the Board of Supervisors (Board) on June 11, 2019 (Item No. 106) for a different property. The cost to acquire the Property shall be a total not to exceed \$5,000,000, consisting of the purchase price of \$4,000,000 and independent consideration payment of \$100 for the right to terminate the Purchase and Sale Agreement during due diligence, which shall be payable to the seller, along with transactional costs totaling \$91,100, which includes due diligence inspections estimated at \$70,000, escrow, title, and fees estimated at \$6,100, and administrative costs estimated at \$15,000. The Public Defender (PD) anticipates using the remainder of the funds in CIP No. 25-198 for future building improvements. PD will work in close partnership with the Project and Facilities Management Department to identify and prioritize improvements after the acquisition and will return to the Board for any necessary approvals for such improvements, including any necessary use of additional Discretionary General Funding (DGF).

Any remaining funds will be allocated to building improvements, for a total not to exceed one time cost not to exceed \$5,000,000, in accordance with Government Code Section 25350.

The Real Estate Services Department (RESO) and PD request the following adjustments to the 2024-25 budgets:

Fund Center	Commitment Item	Description	Action	Amount	WBSE
7700003105	54304030	Structures & Improvements to Structures	Increase	\$5,000,000	94.10.0012
7700003105	40909975	Operating Transfers In	Increase	\$5,000,000	94.10.0012
7700003100	54304030	Structures & Improvements to Structures	Decrease	\$5,000,000	10.10.0908
7700003100	55305030	Operating Transfers Out	Increase	\$5,000,000	10.10.0908

BACKGROUND INFORMATION

PD desires to purchase the Property, which represents an opportunity to provide updated office space for several PD units, providing a newer and more efficient work environment. The new building will offer updated facilities and allow PD to relocate staff from the leased building at 9411 Haven Avenue in Rancho Cucamonga (Haven Building), which experiences numerous ongoing issues, including frequent air conditioning concerns and general maintenance challenges. The acquisition of the Property will aim to improve PD operations and ensure a more comfortable and productive setting for staff, supporting PD's long-term growth and success.

On October 21, 2014 (Item No. 38), the Board approved Lease No. 14-856 (Lease) for approximately 14,390 square feet, for a term from January 1, 2015, through December 31,

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2024, for the Haven Building. On February 10, 2015 (Item No. 43), the Board approved Amendment No. 1 to the Lease to reflect a change of the commencement date from January 1, 2015, to March 1, 2015, and change the date the County can opt to exercise its early termination right under the Lease from December 31, 2024, to February 28, 2025. The Lease has now expired and is currently in a month-to-month holdover status.

On June 11, 2019 (Item No. 106), the Board approved CIP Project No. 20-028 and allocated \$5,000,000 in DGF to fund the purchase of a building at a different location. The original intended location had been selected due to its proximity to the Rancho Cucamonga Courthouse, the office space available, and the estimated acquisition costs. However, the acquisition and anticipated capital improvement costs exceed the allocated funding. Additionally, PD has reorganized some of its organizational units to improve and streamline operations, thereby eliminating the need for PD staff to be in proximity to the Rancho Cucamonga Courthouse.

Approval of Recommendation No. 2 approves establishing CIP No. 25-198 and authorizes the transfer of existing funds from CIP No. 20-028 to CIP No. 25-198 and enables PD to secure permanent office space to reduce its leasing costs.

The PSA provides for a 90-business day due diligence period to inspect the Property. After which time, PD may opt to terminate the PSA without purchasing the Property or proceeding to closing, which shall occur within 30-business days thereafter.

Approval of Recommendation No. 6 will authorize the Director of RESD to execute escrow documents and any other non-substantive documents necessary to complete this transaction, such as supplemental or amended escrow instructions, subject to County Counsel review. The Director of RESD will not be authorized to execute any documents that would bind the County to any actions not contemplated by, or arising from, the transaction which is the subject of these recommendations.

The project to acquire the Property was reviewed pursuant to the California Environmental Quality Act and determined to be categorically exempt under Section 15061 - Common Sense Exemption and Section 15301 – Existing Facilities because the purchase of the Property will not have a significant effect on the environment.

PROCUREMENT

The purchase of this Property complies with Government Code Section 25350 and Section 6063, which respectively address the authority to acquire the Property and the required publication of the notice of the acquisition.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel and Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on April 11, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on April 7, 2025; Public Defender (Diana Lovelace, Chief of Administration, 382-3950) on April 10, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on April 7, 2025; Finance (Celia McDonald, Administrative Analyst, 387-4286, and Yael Verduzco, Principal Administrative Analyst, 387-5285) on April 18, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5426) on April 21, 2025.

(TJS: 893-0340)

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May 6, 2025**

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: May 6, 2025



cc: RESD - Thompson w/agree
 Contractor - RESD w/agree
 File - w/agree
MBA 05/8/2025