

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

August 5, 2025

**FROM**

**TERRY W. THOMPSON, Director, Real Estate Services Department  
JAMES LOCURTO, Director, Transitional Assistance Department**

**SUBJECT**

Amendment to Lease Agreement with Holt Blvd, LLC for Office Space in Ontario

**RECOMMENDATION(S)**

1. Find that approval of Amendment No. 11 to Lease Agreement No. 91-391 with Holt Blvd, LLC for office space is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 - Existing Facilities (Class 1).
2. Approve **Amendment No. 11 to Lease Agreement No. 91-391** with Holt Blvd, LLC, 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 five years, for the period of September 1, 2025, through August 31, 2030, by exercising an existing option, following a permitted 13-month holdover beginning August 1, 2024, through August 31, 2025, add one five-year option to extend the term of the lease, and update standard lease agreement language for approximately 33,000 square foot office building located at 1627 E. Holt Boulevard in Ontario for the Transitional Assistance Department, increasing the total lease amount by \$6,257,748 which includes the holdover amount of \$1,106,820 for a new total cost of \$40,133,567.
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 Amendment No. 11 (Amendment) to Lease Agreement No. 91-391 (Lease) will not result in the use of additional Discretionary General Funding (Net County Cost). The total cost of the Amendment is \$6,257,748, which includes a 13-month permitted holdover in the amount of \$1,106,820. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Transitional Assistance Department (TAD) budget (3000440). Sufficient appropriation is included in the 2025-26 RESD Rents and TAD budgets and will be included in future recommended budgets. The Human Services (HS) Administrative Claim budget is 85% federal and state funded, and 15% local share funded. The local share is currently funded with approximately 67% realignment revenue and 33% Discretionary General Funding (Net County Costs). Annual lease costs are as follows:

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| <b>Year</b>                         | <b>Annual Lease Cost</b> |
|-------------------------------------|--------------------------|
| August 1, 2024 – August 31, 2025*   | \$1,106,820              |
| September 1, 2025 – August 31, 2026 | \$970,200                |
| September 1, 2026 – August 31, 2027 | \$999,312                |
| September 1, 2027 – August 31, 2028 | \$1,029,288              |
| September 1, 2028 – August 31, 2029 | \$1,060,164              |
| September 1, 2029 – August 31, 2030 | \$1,091,964              |
| <b>Total Cost</b>                   | <b>\$6,257,748</b>       |

\*Permitted Holdover Period

**BACKGROUND INFORMATION**

This Amendment extends the Lease for an additional five years, from September 1, 2025, through August 31, 2030, following a permitted 13-month holdover from August 1, 2024, to August 31, 2025, and adds one five-year option to extend the term. The total rent payable during the holdover period shall not exceed \$1,106,820. The lease extension is executed under the County’s existing extension option and maintains the same terms and conditions, except for the monthly rent, which will be adjusted to market rates.

On June 10, 1991 (Item No. 35), the Board of Supervisors (Board) approved a seven-year Lease with two five-year options to extend the 30,000 square-foot office space at 1600 E. Holt Boulevard in Ontario. The original term was from June 1, 1992, through May 31, 1999. In the 34 years since the Lease was originally approved, the Board has approved the following 10 Amendments to correct the size of the leased facility to 33,000 square feet, correct the street address to 1627 E. Holt Boulevard, extend the term in exchange for tenant improvements at no cost to the County, reduce the rent, reflect a change in ownership, extend the term by exercising the original two five-year options, add two additional five-year options, extend the Lease by exercising one five-year option, and amend certain provisions in the lease.

| <b>Amendment No.</b> | <b>Approval Date</b> | <b>Item No.</b> |
|----------------------|----------------------|-----------------|
| 1                    | December 2, 1991     | 23              |
| 2                    | May 4, 1992          | 34              |
| 3                    | March 29, 1993       | 43              |
| 4                    | February 8, 1994     | 33              |
| 5                    | February 14, 1995    | 31              |
| 6                    | April 27, 2004       | 39              |
| 7                    | July 27, 2004        | 32              |
| 8                    | June 5, 2007         | 65              |
| 9                    | August 4, 2007       | 33              |
| 10                   | September 24, 2013   | 61              |

TAD requested that RESD process the Amendment to exercise the remaining five-year extension option and update the standard lease agreement language. However, the Lease expired on August 1, 2024, and entered into a permitted holdover status due to protracted negotiations concerning potential tenant improvements. Ultimately, both parties agreed to table further discussions on the improvements and proceed with renewing the Lease to bring it out of holdover.

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A competitive market analysis conducted by RESD confirmed that the rental rate for the extended term is competitive. This facility remains the best fit for TAD's operational needs, minimizes program disruptions, eliminates relocation costs, and allows TAD to continue effectively serving residents in the community.

On June 10, 1991 (Item No. 35), the Board approved the Lease which was procured according to County Policy 12-02 – Leasing Privately Owned Real Property for County Use (Policy) using a Request for Proposals (RFP). Policy 12-02 provides that the Board may approve the use of an alternative procedure to the use of a Formal RFP process whenever the Board determines that compliance with the Formal RFP requirements would unreasonably interfere with the financial or programmatic needs of the County, or when the use of an alternative procedure would otherwise be in the best interest of the County. Extending the term of the Lease five years for the period of September 1, 2025, through August 31, 2030, will provide for an aggregate term of 39 years.

The project to approve the Amendment was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under CEQA Guidelines Section 15301 – Existing Facilities (Class 1) because there is no possibility that the leasing of the subject property will have a significant effect on the environment.

Summary of Lease Terms

|                    |  |
|--------------------|--|
| Lessor:            | Holt Blvd, LLC   |
| Location:          | 1627 E Holt Boulevard, Ontario   |
| Size:              | 33,000 square feet of office space   |
| Term:              | Five years commencing September 1, 2025  |
| Options:           | One five-year option to extend   |
| Rent:              | Cost per square foot per month: \$2.45*<br>Monthly: \$80,850<br>Annual: \$970,200<br>*Mid-range for comparable facilities in the Ontario area per the competitive set analysis on file with RESD |
| Annual Increases:  | Approximately 3%   |
| Improvement Costs: | N/A  |
| 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 the Real Estate Services Department  |

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Holdover: Upon the end of the term, if permitted by Lessor, the Lease shall continue on a month-to-month with the same terms and conditions, except the rent, which shall increase by 3% of the rent immediately prior to expiration, and increase by an additional 3% annually on each anniversary of the expiration date

Right to Terminate: County can terminate with 180-days' notice

Parking: Sufficient for County needs

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II and Adam Ebright, Deputies County Counsel, 387-5455) on July 7, 2025; Transitional Assistance (James Locurto, Director, 388-0245) on July 7, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on July 1, 2025; and County Finance and Administration (John Hallen, 388-0208, and Eduardo Mora, 387-4376, Administrative Analysts) on July 16, 2025.

(BR: 531-2674)

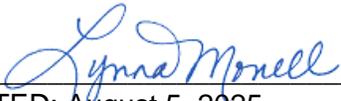
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: August 5, 2025



cc: RESD - Thompson w/agree  
Contractor - c/o RESD w/agree  
File - w/agree  
MBA 08/12/2025