

**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  
ARLENE MOLINA, Director, Preschool Services Department**

**SUBJECT**

Amendment to Lease Agreement with Mettl Investments, LLC for Classroom, Office and Playground Space in Chino

**RECOMMENDATION(S)**

1. Find that approval of Amendment No. 3 to Lease Agreement No. 12-327 with Mettl Investments, LLC, for classroom, office and playground space, is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class I).
2. Approve **Amendment No. 3 to Lease Agreement No. 12-327** with Mettl Investments, 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 existing term of Lease Agreement No. 12-327, for a period of September 1, 2025, through August 31, 2030, following a permitted holdover period of December 1, 2024, through August 31, 2025, adjust the rent schedule, add two five-year options to extend the term of the lease and update standard lease agreement language for office and classroom space, for the Preschool Services Department, located at 5585 Riverside Drive in Chino, for a total cost of \$1,106,692 which includes the holdover amount of \$133,780 for a new total cost of \$2,946,794.
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.**

**Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.**

**FINANCIAL IMPACT**

Approval of Amendment No. 3 (Amendment) to Lease Agreement No. 12-327 (Lease) will not result in the use of Discretionary General Funding (Net County Cost), as the Preschool Services Department (PSD) lease costs are funded with 90% Federal funding and 10% State funding. The total cost of this Amendment is \$1,106,692 for a new total contract amount of \$2,946,794. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from PSD's budget (5911892220). Other costs associated with this Lease include custodial costs, minor interior maintenance, utilities, and playground maintenance, which will be paid from the PSD budget. Sufficient appropriation is included in the 2025-26 budget and will be included in future recommended budgets.

**Amendment to Lease Agreement with Mettl Investments, LLC for Classroom, Office and Playground Space in Chino August 5, 2025**

| <b>Lease Year</b>                          | <b>Annual Lease Cost</b> |
|--|--------------------------|
| December 1, 2024, through August 31, 2025* | \$133,780                |
| September 1, 2025, through August 31, 2026 | \$183,252                |
| September 1, 2026, through August 31, 2027 | \$188,748                |
| September 1, 2027, through August 31, 2028 | \$194,412                |
| September 1, 2028, through August 31, 2029 | \$200,244                |
| September 1, 2029, through August 31, 2030 | \$206,256                |
| <b>Total Lease Cost</b>                    | <b>\$1,106,692</b>       |

\*Permitted Holdover Period

**BACKGROUND INFORMATION**

Approval of the Amendment will extend the term for the property located at 5585 Riverside Drive, Chino (Premises). The Amendment extends the term for the period from September 1, 2025, through August 31, 2030, adds two five-year options to extend, adjusts the rental rate schedule and updates standard lease agreement language. All other Lease terms remain unchanged.

On June 5, 2012 (Item No. 67), the Board of Supervisors (Board) approved the Lease with Mettl Investments, LLC for a five-year term, with one two-year extension option. The Lease includes approximately 6,554 square feet of classroom and office space, along with approximately 8,250 square feet of exterior playground area, for the period of May 1, 2012, through April 30, 2017.

Since the original approval, the Board has approved two subsequent amendments. Amendment No. 1 (Item No. 78), approved on June 13, 2017, extended the Lease term through June 30, 2022, revised the rental rate schedule, and incorporated updated standard lease language.

Amendment No. 2 (Item No. 77), approved on November 15, 2022, further adjusted the rental rate schedule and included additional updates to the Lease language to align with current County standards.

On May 9, 2025, RESD initiated negotiations for the Amendment covering the term from September 1, 2025, through August 31, 2030. This followed a permitted month-to-month holdover period from December 1, 2024, through August 31, 2025, during which time RESD also sought to adjust the rental rate schedule. As part of the negotiation process, RESD conducted a market survey of comparable properties in the Chino area and determined that the current rental rate remains within an acceptable market range for specialized-use facilities of this nature. The Lease entered holdover status on December 1, 2024, as negotiations regarding the rental rate adjustment continued. This facility remains the best fit for PSD's operational needs, minimizes program disruptions, eliminates relocation costs, and allows PSD to continue effectively serving residents in the community.

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

**Amendment to Lease Agreement with Mettl Investments, LLC for Classroom, Office and Playground Space in Chino August 5, 2025**

Summary of Lease Terms

|                     |   |
|---------------------|---|
| Lessor:             | Mettl Investments, LLC<br>Ruby H. Lai, Managing Member  |
| Location:           | 5585 Riverside Drive, Chino   |
| Size:               | Approximately 6,554 square feet of classroom and office space, and approximately 8,250 square feet of the playground area   |
| Term:               | Five years from September 1, 2025, through August 31, 2030  |
| Options:            | Two (2) five-year Options   |
| Rent:               | Cost per square foot per month (approximately): \$2.33<br>Monthly: \$15,271<br>Annual: \$183,252<br>*Mid-range for comparable facilities in the Chino area per the competitive set analysis on file with RESD |
| Annual Increases:   | 3%  |
| Improvement Costs:  | None  |
| Custodial:          | Provided by County  |
| Maintenance:        | Minor interior 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 this Lease with 90-days' notice   |
| Parking:            | Sufficient for County needs   |

**PROCUREMENT**

Policy 12-02 provides that the Board may approve the use of an alternative procedure to the use of a Formal Request for Proposal (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.

**REVIEW BY OTHERS**

**Amendment to Lease Agreement with Mettl Investments, LLC for  
Classroom, Office and Playground Space in Chino  
August 5, 2025**

This item has been reviewed by County Counsel (John Tubbs II, and Adam Ebright, Deputies County Counsel, 387-5455) on July 9, 2025; Preschool Services (Arlene Molina, Director, 383-2078) on July 7, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on July 10 , 2025; County Finance and Administration (Allegra Pajot, 388-0218, and Eduardo Mora, 387-4376, Administrative Analysts) on July 17, 2025.

(AR: 501-7579)

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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