

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

June 25, 2024

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center**

SUBJECT

Lease Agreements with Arrowhead Regional Medical Center Foundation for Office, Gift Shop and Storage Space in Colton

RECOMMENDATION(S)

1. Find that approval of a Lease Agreement and Sublease Agreement with Arrowhead Regional Medical Center Foundation, for office, gift shop and storage space, are exempt projects under the California Environmental Quality Act Guidelines Section 15061(b)(3) - Common Sense.
2. Approve Lease **Agreement No. 24-620** with Arrowhead Regional Medical Center Foundation, for the period of June 11, 2024 through June 10, 2034, with two five-year options to extend, for approximately 194 square feet of office space and approximately 848 square feet of gift shop space, totaling approximately 1,042 square feet within Arrowhead Regional Medical Center, located at 400 North Pepper Avenue in Colton.
3. Approve Sublease **Agreement No. 24-621** with Arrowhead Regional Medical Center Foundation, subject to Landlord's prior written consent, for approximately 417 square feet of storage space, for the period of June 11, 2024 through September 30, 2033, with two five-year options to extend, dependent upon Arrowhead Regional Medical Center's exercise of the two five-year options to extend Lease Agreement No. 22-566, for the Arrowhead Regional Medical Center leased facility at 1930 West Valley Boulevard in Colton.
4. Authorize receipt of in-kind services in lieu of rent for the Lease Agreements referenced in Recommendations No. 2 and No. 3, for the period of June 11, 2024 through June 10, 2034, for the Arrowhead Regional Medical Center Foundation to facilitate contributions and steward donations that positively impact Arrowhead Regional Medical Center staff and patients.
5. 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

Promote the Countywide Vision.

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

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). There are no costs or revenue associated with the Lease and Sublease Agreements (Agreements). In lieu of rent, the Arrowhead Regional Medical Center Foundation (Foundation)

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will continue to facilitate contributions and steward donations that positively impact Arrowhead Regional Medical Center (ARMC) staff and patients.

BACKGROUND INFORMATION

The recommended actions will approve Agreements with the Foundation. The Foundation will lease space at 400 North Pepper Avenue in Colton (Main Hospital) for the period of June 11, 2024 through June 10, 2034, with two five-year options to extend and at 1930 West Valley Boulevard in Colton (Valley Facility), subject to Landlord's prior written consent, for the period of June 11, 2024 through September 30, 2033, with two five-year options to extend. The Main Hospital will lease approximately 1,042 square feet to the Foundation, consisting of approximately 194 square feet of office space and approximately 848 square feet of gift shop space on the first floor. The Valley Facility will sublease approximately 417 square feet of storage space to the Foundation.

The Foundation is a 501(c)(3) nonprofit public benefit corporation formed for public and charitable purposes, including aiding, assisting, and supporting ARMC in carrying out all aspects of its obligations to manage and operate the hospital, and supporting the continuing education of ARMC's resident physicians, nurses, interns, and other hospital personnel, and the education of its patients and the general public in health-related matters. In particular, the Foundation facilitates contributions and steward donated funds to ARMC. The Foundation's assistance is critical to attracting the support that is required to meet ARMC's needs and mission. The donations that the Foundation receives benefit ARMC staff, the community, and patients by providing employee activity events, luncheons, giveaways, hosting community 5k events, tree lighting, hosting breast cancer survivors celebrations, and providing toys to children at the hospital.

ARMC requested that the Real Estate Services Department (RESO) prepare Agreements for the Main Hospital and the Valley Facility for the Foundation to occupy office, gift shop and storage space to allow the Foundation to continue to support ARMC. The lease agreement for the Main Hospital will be for the period of June 11, 2024 through June 10, 2034, with two five-year options to extend. The sublease agreement at the Valley Facility, subject to Landlord's prior written consent, will be for the period of June 11, 2024 through September 30, 2033, with two five-year options to extend, dependent upon ARMC extending its current lease at the Valley Facility.

On June 28, 2022 (Item No. 77), the Board of Supervisors approved Lease Agreement No. 22-566 with Moss Colton Properties, LLC (Landlord) for ARMC to lease 51,753 square feet of office space at the Valley Facility for the period of October 1, 2023 through September 30, 2033, with two five-year options to extend. The Agreements with the Foundation will allow either party to terminate by providing a 60-day written notice.

The project to approve the Agreements was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under Section 15061(b)(3)-Common Sense.

Summary of Lease Terms

Lessee/Sublessee: Arrowhead Regional Medical Center Foundation
Patty S. Holohan
Executive Director

Locations: 400 North Pepper Avenue, Colton (Main Hospital)

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1930 West Valley Boulevard, Colton (Valley Facility)

Size: Main Hospital: Approximately 1,042 square feet
Valley Facility: Approximately 417 square feet

Term: Main Hospital: June 11, 2024 through June 10, 2034
Valley Facility: June 11, 2024 through September 30, 2033

Options: Main Hospital: Two five-year options
Valley Facility: Two five-year options, dependent upon ARMC
exercising its options to extend Lease Agreement No. 22-566

Rent: No fee: In-kind services in lieu of rent

Improvement Costs: None

Custodial: Provided by County

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: Either party may terminate with a 60-day written notice

Parking: Sufficient for Lessee needs

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, and Charles Phan, Supervising Deputy County Counsel, 387-5455) on May 6, 2024; Arrowhead Regional Medical Center (Andrew Goldfrach, ARMC Chief Executive Officer, 580-3290) on May 13, 2024; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on May 9, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884, and Yael Verduzco, Principal Administrative Analyst, 387-5285) on June 6, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on June 6, 2024.

(YG: 665-0268)

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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: June 25, 2024



cc: RESD - Thompson w/ agrees
 Contractor c/o RESD w/ agree
 File w/ agree
JLL 07/12/2024