

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

October 21, 2025

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
ARLENE MOLINA, Director, Preschool Services Department**

SUBJECT

Lease Amendment with Upland Unified School District for Classroom, Office, and Playground Space in Upland

RECOMMENDATION(S)

1. Find that approval of Amendment No. 10 to Lease Agreement No. 00-802 with Upland Unified School District for classroom, office, and playground space is exempt under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class 1).
2. Approve **Amendment No. 10 to Lease Agreement No. 00-802** with Upland Unified School District dated August 1, 1997, to:
 - a. Extend the term of the lease three years for the period of November 1, 2025, through October 31, 2028, by exercising one of the County’s remaining three-year options to extend the lease term, leaving one option available, following a permitted month-to-month holdover from February 1, 2025, through October 31, 2025.
 - b. Adjust the rental rate schedule.
 - c. Update the termination and standard lease agreement language.
 - d. Continue leasing approximately 3,840 square feet of classroom and office space, 6,000 square feet of parking lot, and 3,200 square feet of playground areas, located at 732 North 3rd Avenue in Upland, for the Preschool Services Department.
 - e. Increase the total lease amount by \$179,355, inclusive of \$26,955 for the holdover period, from \$847,818 to \$1,027,173.
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.

FINANCIAL IMPACT

Approval of Amendment No. 10 (Amendment) to Lease Agreement No. 00-802 (Lease) will not result in the use of Discretionary General Funding (Net County Cost) as the program is 90% federally funded and 10% state funded. The total Amendment cost, including the permitted holdover period, will be \$179,355, of which \$26,955 covers the holdover period. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Preschool Services Department (PSD) budget

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(5911622220). Sufficient appropriation is included in the 2025-26 PSD and RESD budgets and will be included in future recommended budgets. Annual lease costs are as follows:

Lease Year	Annual Lease Cost
February 1, 2025 – October 31, 2025*	\$26,955
November 1, 2025 – October 31, 2026	\$49,308
November 1, 2026 – October 31, 2027	\$50,784
November 1, 2027 – October 31, 2028	\$52,308
Total Lease Cost:	\$179,355

*Permitted holdover period

BACKGROUND INFORMATION

The recommended action will amend the Lease with Upland Unified School District to extend the term three years for the period of November 1, 2025, through October 31, 2028, following a permitted month-to-month holdover from February 1, 2025, through October 30, 2025, and adjust the rental rate schedule for the use of approximately 3,840 square feet of classroom and office space, 6,000 square feet of parking lot area, and 3,200 square feet of playground area, located at 732 North 3rd Avenue in Upland, because of the continuing need to provide PSD services in the Upland Area.

PSD has occupied the preschool facility located at 732 North 3rd Avenue in Upland since 1997 under the provisions of Lease Agreement No. S98-014, which was originally approved by the Director of RESD and subsequently converted to Lease Agreement No. 00-802. In the 28 years since the Lease was originally approved, RESD and the Board of Supervisors (Board) have approved nine amendments to extend the term through January 31, 2025, increase the parking lot area from 3,000 to 6,000 square feet, and update standard lease agreement language.

Amendment No.	Approval Date	Item No.
1	March 30, 1999	N/A
2	July 11, 2000	48
3	June 3, 2003	72
4	August 17, 2004	48
5	June 5, 2007	63
6	July 13, 2010	60
7	June 25, 2013	84
8	July 25, 2017	37
9	January 10, 2023	41

On June 26, 2025, PSD notified RESD of its desire to extend the term and requested that RESD process this Amendment for the extension and negotiate the rental rate for the extended term. RESD conducted a market survey and determined that the lease rate at the time of renewal was below the market rate.

Prior to negotiations regarding the rental rate for the extension, the Lease went into holdover status as of February 1, 2025. PSD continued to occupy the premises and abide by the provisions of the Lease on a month-to-month basis while it was decided whether to remain in this location. This Amendment provides for continued use by PSD for the period of November 1, 2025, through October 31, 2028, following a permitted holdover period from February 1,

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2025, through October 31, 2025. All other terms and conditions of the Lease remain unchanged.

RESD, acting in its approved capacity as the County Administrative Office designee to review proposed real property leases under Policy 12-02, completed a market analysis of comparable properties and found the current rental rate, including annual increases during the three-year extended term, to be competitive. The site meets the current requirements of PSD and, if the extension is approved by the Board, would minimize disruption to PSD operations and save moving costs.

RESD staff reviewed the recommended action pursuant to the California Environmental Quality Act and determined that it is exempt under Section 15301 Class 1 Existing Facilities because the proposed Lease is to secure property to operate within the existing structure with negligible or no expansion of existing use.

Summary of Lease Terms

Lessor:	Upland Unified School District
Location:	732 North 3rd Avenue, Upland
Size:	3,840 square feet of classroom/office space, 6,000 square feet of parking lot area, and 3,200 square feet of playground area
Term:	November 1, 2025 through October 31, 2028
Options:	One three-year option remains
Rent:	Cost per square foot per month: \$1.07 Monthly: \$4,109 Annual: \$49,306 *Low range for comparable facilities in the Upland area per the competitive set analysis on file with RESD
Annual Increases:	3%
Improvement Costs:	None
Custodial:	Provided by County
Maintenance:	To be provided by Lessor except County provides minor interior maintenance, routine maintenance of the grounds, landscaping, parking area, and playground
Utilities:	County pays 10% of all utility costs
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 a month-to-month term upon the same terms and

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conditions which existed at the time of expiration

Right to Terminate: Either party may terminate with 120 days' notice beginning
November 1, 2026

Parking: Sufficient for County's needs

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Sophie Curtis, Deputies
County Counsel, 387-5455) on September 11, 2025; Preschool Services (Arlene Molina,
Director, 383-2028) on September 12, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-
2070) on September 19, 2025; and County Finance and Administration (Allegra Pajot, 388-
0218, and Eduardo Mora, 387-4376, Administrative Analysts) on October 3, 2025.

(JF: 269-1984)

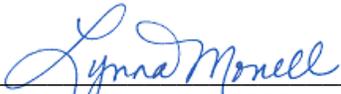
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Record of Action of the Board of Supervisors
San Bernardino County

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: October 21, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree

CCM 10/22/2025