

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

March 25, 2025

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
GEORGINA YOSHIOKA, Director, Department of Behavioral Health**

SUBJECT

Amendment to Lease Agreement with Forrest Angelopoulos for Office Space in Hesperia

RECOMMENDATION(S)

1. Find that approval of Amendment No. 9 to Lease Agreement No. 93-846 with Athanasia A. Angelopoulos, Nikki A. Angelopoulos and Vasiliki A. Angelopoulos for office space is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Class 1 Existing Facilities.
2. Approve **Amendment No. 9 to Lease Agreement No. 93-846**, through the use of an alternative procedure as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to reflect a change of property ownership and an assignment of the lease from Forrest Angelopoulos to Athanasia A. Angelopoulos, Nikki A. Angelopoulos and Vasiliki A. Angelopoulos, extend the term by five years for the period of April 1, 2025, through March 31, 2030, following a permitted hold over for the period of February 1, 2021, through March 31, 2025, add one five-year option to extend the term, adjust the rental rate schedule, and update standard lease agreement language for 5,100 square feet of office space, located at 11951 Hesperia Road in Hesperia for the Department of Behavioral Health, in the amount of \$1,144,467, including the holdover amount of \$468,639, for a new total contract amount of \$3,503,451.
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 this item will not result in the use of Discretionary General Funding (Net County Cost). The total cost of Amendment No. 9 (Amendment) to Lease Agreement 93-846 (Lease) is \$1,144,467, which includes the permitted holdover for the period from February 1, 2021, through February 28, 2025, for a total amount of \$468,639. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Department of Behavioral Health (DBH) budget (9200001000), which will be funded by Mental Health Services Act funds. Sufficient appropriation is included in the 2024-25 budget and will be included in future recommended budgets. Annual lease costs are as follows:

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Year	Annual Lease Cost
February 1, 2021 – March 31, 2025*	\$468,639*
April 1, 2025 – March 31, 2026	\$127,296
April 1, 2026 – March 31, 2027	\$131,112
April 1, 2027 – March 31, 2028	\$135,048
April 1, 2028 – March 31, 2029	\$139,104
April 1, 2029 – March 31, 2030	\$143,268
Total Cost	\$1,144,467

*Reflects permitted holdover period

BACKGROUND INFORMATION

On August 31, 1993 (Item No. 42), the Board of Supervisors (Board) approved a Lease for the period of November 1, 1993, through April 30, 2001, with three two-year options to extend the term for 5,100 square feet of office space at 11951 Hesperia Road in Hesperia (Premises). DBH also secured the right to use the common area parking lot at no additional cost. In the 31 years since the Lease was originally approved, the Board has approved eight amendments to exercise options to extend the term, adjust the rent schedule, reflect a change of ownership from the White Family Trust to Eva Braunstein, to reflect a change of ownership from Eva Braunstein to Forrest Angelopoulos, and update the standard lease agreement language.

Amendment No.	Approval Date	Item No.
1	July 14, 1998	09
2	August 1, 2006	31
3	September 23, 2008	36
4	October 19, 2010	47
5	November 6, 2012	64
6	June 3, 2014	55
7	September 27, 2016	37
8	December 18, 2018	56

Approval of the Amendment will extend the term with Athanasia Angelopoulos, Nikki A. Angelopoulos and Vasiliki A. Angelopoulos for the period of April 1, 2025, through March 31, 2030, following the permitted holdover for the period of February 1, 2021, through March 31, 2025, for the property located at the Premises. The Amendment will also reflect a change of property ownership and an assignment of the Lease, that RESD was notified of in September 2024, from Forrest Angelopoulos to Athanasia A. Angelopoulos, Nikki A. Angelopoulos and Vasiliki A. Angelopoulos all as tenants in common; adjust the rental rate schedule; add one five-year option to extend the Lease; and update the standard lease agreement language due to the continuing need to provide office space for DBH in the Hesperia area. All other terms and conditions of the Lease remain unchanged. This Amendment was delayed due to continued negotiations concerning the rental rate, Landlord change in ownership challenges, and improvement specifications and costs. On February 1, 2021, the Lease went into a permitted holdover period, and DBH continued to occupy the Premises and abide by the terms of the Lease. To avoid remaining in holdover, DBH requested RESD prepare a standard renewal amendment to extend the term of the Lease.

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

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15301 – Class 1 Existing Facilities because the Amendment is to secure property to operate within the existing structure with no expansion of the existing Lease.

Summary of Lease Terms

Lessor: Athanasia A. Angelopoulos, Nikki A. Angelopoulos and Vasiliki A. Angelopoulos, Owner

Location: 11951 Hesperia Road, Hesperia

Size: 5,100 square feet of office space

Term: April 1, 2025, through March 31, 2030

Options: One five-year option

Rent: Cost per square foot per month: \$2.08
Monthly: \$10,608
Annual: \$127,296
*Mid-range for comparable facilities in the Hesperia area per the competitive set analysis on file with RESD

Annual Increases: 3%

Improvement Costs: None

Custodial: County

Maintenance: Lessor

Utilities: Lessor

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 with 90-days' notice

Parking: Sufficient for County needs

PROCUREMENT

Policy 12-02 requires a thorough and detailed review by the County Administrative Office (CAO) or designee to validate the need for and provide a competitive analysis of any lease with a term of more than 20 years. Approval of the Amendment will yield an aggregate term of 37 years, and a potential aggregate term of 42 years if the extension option is exercised.

RESD, acting in its approved capacity as the CAO designee to review proposed real property leases under Policy 12-02, completed a market analysis of comparable properties and found the

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current rental rate, including annual increases during the five-year extended term, to be competitive. The site best meets the needs of DBH for office space in Hesperia, which would minimize disruption to DBH operations and save on moving costs.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Dawn Martin, Deputies County Counsel, 387-5455) on March 3, 2025; Behavioral Health (Lydia Bell, Administrative Manager, 386-9732) on January 29, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on January 24, 2025; Finance (Paul Garcia, 386-8393, and Eduardo Mora, 387-4376, Administrative Analysts) on March 5, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on March 10, 2025.
(YG: 665-0268)

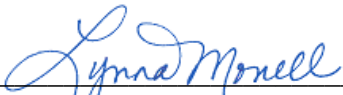
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Record of Action of the Board of Supervisors
San Bernardino County

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: March 25, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
MBA 03/26/2025