

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

December 19, 2023

**FROM**

**TERRY W. THOMPSON, Director, Real Estate Services Department  
THOMAS W. SONE, Public Defender**

**SUBJECT**

Amendment to Expense Lease Agreement with Civic Center Investors, LLC for Office Space for the Public Defender in Victorville

**RECOMMENDATION(S)**

1. Find that approval of Amendment No. 6 to Expense Lease Agreement No. 07-1079 with Civic Center Investors, 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. 6 to Expense Lease Agreement No. 07-1079** with Civic Center Investors, LLC, exercising the first extension option for the period of January 1, 2024 through December 31, 2025, following a permitted five-month holdover from August 1, 2023 through December 31, 2023, adjusting the rent schedule, and updating the standard lease agreement language for approximately 9,719 square feet of office space for the Public Defender located at 14344 Cajon Street in Victorville in the amount of \$601,597.
3. Direct the Clerk of the Board of Supervisors to file and post the Notice of Exemption for the project as required under the California Environmental Quality Act.  
(Presenter: Terry W. Thompson, Director, 387-5000)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Provide for the Safety, Health and Social Service Needs of County Residents.  
Operate in a Fiscally-Responsible and Business-Like Manner.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The total cost of this two-year term extension for Expense Lease Agreement No. 07-1079 (Lease) is \$601,597, which includes the permitted holdover at the current lease rate of \$20,021 per month for five months. Lease payments will be made from the Real Estate Services Department (RES D) Rents budget (7810001000) and reimbursed by the Public Defender (PD) budget (4913001000). The lease includes an electric utility cap beyond which the landlord's expenses are reimbursable by PD, but it is not anticipated that electric utility expenses will exceed the cap. Sufficient appropriation is included in the 2023-24 RES D Rents and PD budgets and will be included in future recommended budgets. Annual lease costs are as follows:

<u>Year</u>	<u>Annual Lease Cost</u>
August 1, 2023 – December 31, 2023	\$100,105*

**Amendment to Expense Lease Agreement with Civic Center Investors, LLC for Office Space for the Public Defender in Victorville  
December 19, 2023**

January 1, 2024 – December 31, 2024	\$247,248
January 1, 2025 – December 31, 2025	<u>\$254,244</u>
<b>Total Cost</b>	<b>\$601,597</b>

\*Holdover Rent

**BACKGROUND INFORMATION**

The recommended actions will amend an existing Lease with Civic Center Investors, LLC, to exercise the first of two options to extend the term of the lease two-years for the period of January 1, 2024 through December 31, 2025, following a permitted five-month holdover for the period of August 1, 2023 through December 31, 2023, adjust the rental rate schedule, and update standard lease agreement language. These changes are necessary due to the continuing need to provide PD services in Victorville. PD represents indigent clients in misdemeanor, felony, juvenile delinquency, and civil commitment cases countywide.

On December 18, 2007 (Item No. 40), the Board of Supervisors (Board) approved a 10-year lease for 9,719 square feet of office space at 14344 Cajon Street, Second Floor, in Victorville. The original term of the Lease was for the period of March 1, 2008 through February 28, 2018. In the 15 years since the Lease was originally approved, the Board has approved five amendments, decreasing the lease term, adding extension options, adjusting the rental rate schedule, extending the term, and updating standard lease agreement language.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	February 12, 2008	29
2	February 12, 2013	37
3	May 20, 2014	64
4	July 25, 2017	40
5	July 27, 2021	47

With a continuing need for PD services at this location, PD requested RESD prepare an amendment to extend the term of the Lease by two years. The Lease went into a permitted holdover period due to longer than anticipated negotiations with Civic Center Investors, LLC. PD has continued to occupy the leased premises and abide by the terms of the Lease. All other terms and conditions of the Lease remain unchanged.

The project to approve Amendment No. 6 to the Lease with Civic Center Investors, LLC, was reviewed pursuant to the California Environmental Quality Act Section 15301 – Existing Facilities (Class 1) and determined to be categorically exempt 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:	Civic Center Investors, LLC (Jose Luis Andreu, Managing Member)
Location:	14344 Cajon Street, Second Floor, Victorville
Size:	9,719 square feet of office space
Term:	Two years commencing January 1, 2024
Options:	One two-year option remaining

**Amendment to Expense Lease Agreement with Civic Center Investors,  
LLC for Office Space for the Public Defender in Victorville  
December 19, 2023**

Rent:	Cost per square foot per month: \$2.12* Full-Service Gross Monthly: \$20,604 Annual: \$247,248 *Mid-range for comparable facilities in the Victorville area per the competitive set analysis on file with RESD
Annual Increases:	3%
Improvement Costs:	None
Custodial:	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor, except that County shall pay electrical costs in excess of \$43,152 per lease year or \$0.37 per square foot per month (electrical utility expenses cap) subject to 3% annual increases
Insurance:	The Certificate of Liability Insurance, as required by the lease, is on file with RESD
Holdover:	With the Consent of the Landlord with the same terms and conditions, including rent
Right to Terminate:	County has the right to terminate with 90-days' notice
Parking:	Sufficient for County needs

**PROCUREMENT**

Amendments of existing leases are exempt from the requirement for a formal Request for Proposal process as provided in County Policy 12-02 – Leasing Privately Owned Real Property for County Use, provided the amendment does not exceed the maximum term (including options) of the Lease.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, and Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on October 16, 2023; Public Defender (Diana Lovelace, Chief of Administration, 382-3943) on October 19, 2023; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on October 19, 2023; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412, and Garrett Baker, Administrative Analyst, 387-3077) on November 29, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on November 29, 2023.

(PN: 677-8321)

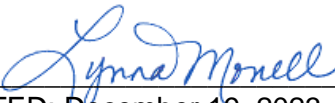
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY  \_\_\_\_\_  
DATED: December 19, 2023



cc:    RESD - Thompson w/agree w/CEQA & receipt  
      Contractor - c/o RESD w/agree  
      File - w/agree w/CEQA & receipt  
CCM   12/22/2023