

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

**May 20, 2025**

**FROM**

**TERRY W. THOMPSON, Director, Real Estate Services Department**

**JEANY GLASGOW, Director, Children and Family Services**

**SUBJECT**

Lease Agreement with Palm Court Office Solutions 2, LLC for Parking Lot Space in Victorville

**RECOMMENDATION(S)**

1. Find that approval of Lease Agreement with Palm Court Office Solutions 2, LLC for parking lot space, is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class I).
2. Approve the Real Estate Services Department's use of an alternative procedure in lieu of a formal Request for Proposals as allowed per County Policy 12-02 - Leasing Privately Owned Real Property for San Bernardino County Use, to lease approximately 22,513 square feet of parking lot space located at 15020 Palmdale Road in Victorville.
3. Approve Lease **Agreement No. 25-298** with Palm Court Office Solutions 2, LLC for the term of 15 years, for the period of May 1, 2025, through April 30, 2040, for the use of 22,513 square feet of improved parking lot space, for a total contract amount of \$1,758,613.
4. 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 additional Discretionary General Funding (Net County Cost). The total cost of this 15-year Lease Agreement (Lease) is \$1,758,613. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Human Services (HS) budget (5011181000). The HS Administrative Claim budget is funded by 85% Federal/State funding and 15% Local Share. Sufficient appropriation is included in the 2025-26 budget and will be included in future recommended budgets. Annual lease costs are as follows:

<b>Year</b>	<b>Cost</b>
May 1, 2025 – April 30, 2026	\$94,555
May 1, 2026 – April 30, 2027	\$97,391
May 1, 2027– April 30, 2028	\$100,313
May 1, 2028 – April 30, 2029	\$103,322
May 1, 2029 – April 30, 2030	\$106,422

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May 1, 2030 – April 30, 2031	\$109,615
May 1, 2031 – April 30, 2032	\$112,903
May 1, 2032 – April 30, 2033	\$116,290
May 1, 2033 – April 30, 2034	\$119,779
May 1, 2034 – April 30, 2035	\$123,372
May 1, 2035 – April 30, 2036	\$127,073
May 1, 2036 – April 30, 2037	\$130,886
May 1, 2037 – April 30, 2038	\$134,812
May 1, 2038 – April 30, 2039	\$138,857
May 1, 2039 – April 30, 2040	\$143,023
<b>Total Cost</b>	<b>\$1,758,613</b>

**BACKGROUND INFORMATION**

The recommended action seeks approval of a Lease with Palm Court Office Solutions 2, LLC (Landlord), for a 15-year term from May 1, 2025, through April 30, 2040, for the use of 22,513 square feet of improved, secured parking lot space located at 15020 Palmdale Road in Victorville (Property) for the Department of Children and Family Services (CFS).

CFS currently occupies the County-leased Property. In support of its operations at this location, CFS also utilizes the adjacent secured parking lot. To ensure continued access and use, approval of a separate lease agreement with the Landlord for the parking lot is being requested. A separate item will be presented recommending approval of Amendment No. 5 to Lease Agreement No. 12-761 with Palm Court Office Solutions 2, LLC, for the building located at 15020 Palmdale Road.

At the Landlord's request, the parking lot lease has been structured as a separate agreement from Lease No. 12-761, which governs the use of the office building. In March 2025, RESD initiated the parking lot lease under a 15-year term. The lease includes a mutual termination clause, allowing either party to terminate the agreement with 90 days' prior written notice.

The project to approve the Lease was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under CEQA Guidelines 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.

**Summary of Lease Terms**

Lessor: Palm Court Office Solutions 2, LLC

Location: 15020 Palmdale Road, Victorville

Size: 22,513 square feet of improved parking space

Term: 15 years, commencing May 1, 2025

Options: Two five-year options to extend

Rent: Cost per square foot per month: \*\$0.35 Full-service gross  
Monthly: \$7,880  
Annual: \$94,555

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\*Mid-range for comparable facilities in the Victorville area per the supporting competitive set analysis on file

Annual Increases:	3%
Improvement Costs:	None
Custodial:	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor
Insurance:	The Certificate of Liability Insurance, as required by the Lease, is on file with RESD
Right to Terminate:	County has the right to terminate with 90-Days' Notice
Parking:	60 secured parking spaces in the secured parking lot (in addition to 28 existing secured parking spaces and 238 regular parking spaces)

**PROCUREMENT**

Policy 12-02 provides that the Board may approve the use of an alternative procedure in lieu of a Formal Request for Proposals (RFP) process whenever the Board determines that compliance with the 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. The site best meets the needs of CFS for office space parking in Victorville.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II, and Daniella Hernandez, Deputies County Counsel, 387-5455) on March 31, 2025; Children and Family Services (Jeany Glasgow, Director, 387-2792) on April 2, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on March 25, 2025; Finance (John Hallen, Administrative Analyst, 388-0208, and Yael Verduzco, Principal Administrative Analyst, 387-5285) on May 5, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 5, 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.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.  
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: May 20, 2025



cc: RESD - Thompson w/agree  
Contractor - c/o RESD w/agree  
File - w/agree  
MBA 05/21/2025