

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

August 25, 2020

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
JOHN MCMAHON, Sheriff/Coroner/Public Administrator**

SUBJECT

Amendment No. 1 to Lease Agreement with Taha Amn Properties, LLC, for Office Space for the Sheriff/Coroner/Public Administrator in San Antonio Heights

RECOMMENDATION(S)

Approve **Amendment No. 1** to **Lease Agreement No. 17-125** with Taha Amn Properties, LLC to extend the term of the lease three years for the period of September 1, 2020 through August 31, 2023 due to County's exercise of an option to extend the term of the lease, following a permitted five-month holdover for the period of April 1, 2020 through August 31, 2020, adjust the rental rate schedule, and update standard lease agreement language for 873 square feet of office space for the Sheriff/Coroner/Public Administrator in San Antonio Heights, an unincorporated area north of the City of Upland, in the amount of \$73,126. (Presenter: Terry W. Thompson, Director, 387-5252)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

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 amendment, including the permitted holdover, is \$73,126. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the Sheriff/Coroner/Public Administrator (Sheriff) budget (4433201000). The lease includes an electrical utility cap, beyond which landlord's expenses are reimbursable by Sheriff, but it is not anticipated that electric utility expenses will exceed the cap. Sufficient appropriation is included in the Rent and Sheriff 2020-21 budgets and will be included in future recommended budgets. Annual lease costs are as follows:

<u>Period</u>	<u>Annual Lease Cost</u>
April 1, 2020 – August 31, 2020	\$ 8,650
September 1, 2020 – August 31, 2021	\$ 20,760
September 1, 2021 – August 31, 2022	\$ 21,480
September 1, 2022 – August 31, 2023	\$ 22,236
Total Cost	\$ 73,126

BACKGROUND INFORMATION

**Amendment No. 1 to Lease Agreement with Taha Amn Properties, LLC,
for Office Space for the Sheriff/Coroner/Public Administrator in San
Antonio Heights
August 25, 2020**

Amendment No. 1 to Lease Agreement No. 17-125 provides for a three-year extension of the lease for the period from September 1, 2020 through August 31, 2023, due to County's exercise of an existing option to extend the term of the lease, following a permitted five-month holdover for the period of April 1, 2020 through August 31, 2020, adjusts the rental rate schedule, and updates standard lease agreement language. RESD negotiated a rental rate of \$1.98 per square foot per month for the office space (\$20,760 annually) for the first year of the extended term, with 3.5% annual rent escalations thereafter.

On March 7, 2017 (Item No. 42), the Board of Supervisors (Board) approved a three-year Lease Agreement, No. 17-125, for 873 square feet of office space at 2433 North Euclid Avenue in Upland. The original term of the lease was for the period of April 1, 2017 through March 31, 2020.

The Sheriff uses the facility as a satellite reporting station for the San Antonio Heights and Mt. Baldy area. The Sheriff requested that RESD process an amendment to exercise a three-year extension of the lease because of the need to continue to provide deputies a facility they can use to write reports, and conduct interviews and meetings with local residents. Due to protracted negotiations regarding market rental rate, the lease went into a permitted holdover on April 1, 2020. Amendment No. 1 to Lease Agreement No. 17-125 extends the term of the lease three years for the period of September 1, 2020 through August 31, 2023 due to the County's exercise of an option to extend the term of the lease, following a permitted holdover from April 1, 2020 through August 31, 2020, adjusts the rental rate schedule, and updates standard lease agreement language. All other provisions and terms of the lease shall remain the same.

Staff has reviewed the recommended action pursuant to the California Environmental Quality Act (CEQA) and has determined that it does not constitute a project. Under CEQA accordingly, no further action is required.

Summary of Lease Terms

Lessor:	Taha Amn Properties, LLC (Mahmoud Banihashemi, Member)
Location:	2433 North Euclid Avenue, Upland, CA
Size:	Approximately 873 square feet of office space
Term:	Three years commencing September 1, 2020
Options	None
Rent:	Cost per sq. ft. per month: \$1.98 Monthly: \$1,730 Annual: \$20,760 *Mid-range for comparable facilities in the San Antonio Heights/Upland area per supporting lease comparables on file
Annual Increases:	3.5%

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Improvement Costs:	None
Custodial	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	To be provided by Lessor; County to pay electrical costs in excess of \$2,904 per year (electric utility expense cap), which cap is increased 3.5% annually
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:	Sufficient for County needs

PROCUREMENT

On March 7, 2017 (Item No. 42), the Board approved Lease Agreement No. 17-125, which was procured according to County Policy 12-02 – Leasing Privately Owned Real Property for County Use (Policy), using a Solicitation of Proposals (SOP) process. The procurement process required by the Policy does not apply to amendments of existing leases, 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 (Agnes Cheng, Deputy County Counsel and Rick Luczak, Deputy County Counsel, 387-5455) on June 29, 2020; Sheriff (Jose Torres, Administrative Manager, 387-0640) on June 25, 2020; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2464) on June 25, 2020; Finance (Carolina Mendoza, Administrative Analyst, 387-0294 and Wen Mai, Principal Administrative Analyst, 387-4020) on August 5, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on August 9, 2020.

(JAG: 677-8210)

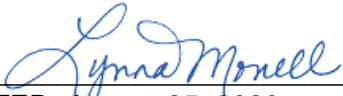
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Josie Gonzales Seconded: Robert A. Lovingood
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 25, 2020



cc: RESD - Thompson w/agree
Contractor - C/O RESD w/agree
File - w/agree

CCM 09/8/2020