

**REPORT/RECOMMENDATION TO THE BOARD OF DIRECTORS
OF THE BLOOMINGTON RECREATION AND PARK DISTRICT
AND RECORD OF ACTION**

May 4, 2021

FROM

BRENDON BIGGS, Director, Public Works – Special Districts

TERRY W. THOMPSON, Director, Real Estate Services Department

SUBJECT

Amendment No. 1 to Revenue Lease Agreement with The Olive Branch Development and Empowerment Services, Inc. for the Use of District-Owned Modular Office Space in Bloomington

RECOMMENDATION(S)

Acting as the governing body of the Bloomington Recreation and Park District:

1. Find that, pursuant to California Government Section 25212, and consistent with California Government Code Section 25526.6, Amendment No. 1 to Lease Agreement No. 16-160 with The Olive Branch Development and Empowerment Services, Inc. to extend the term of the lease five years for the period of June 1, 2021 through May 31, 2026, following a permitted one month holdover from May 1, 2021 through May 31, 2021, revise the lease fee schedule, and update standard lease agreement language for the exclusive use from Monday through Saturday of approximately 1,334 square feet of modular office space located at the Bloomington Recreation and Park District's Kessler Park located at 18400 Jurupa Avenue in Bloomington is in the public interest and that the amendment to the lease agreement will not substantially conflict or interfere with the District's use of the property.
2. Approve **Amendment No. 1 to Lease Agreement No. 16-160** with The Olive Branch Development and Empowerment Services, Inc. to extend the term of the lease five years for the period of June 1, 2021 through May 31, 2026, following a permitted one month holdover from May 1, 2021 through May 31, 2021, revise the lease fee schedule, and update standard lease agreement language for the exclusive use from Monday through Saturday of approximately 1,334 square feet of modular office space located at the Bloomington Recreation and Park District's Kessler Park located at 18400 Jurupa Avenue in Bloomington for total revenue in the amount of \$25,547.

(Presenter: Terry W. Thompson, Director, 387-5252)

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 revenue to be received by the Bloomington Recreation and Park District (District) over the five-year period, including the permitted holdover at the current lease rate of \$395 per month for one month, is \$25,547. Payments from this lease agreement will be

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deposited into the District budget (6250002584). Lessee will reimburse District for any electrical utilities in excess of \$2,422 for FY 2021-22 with an annual 1% inflationary factor thereafter. Annual revenue is as follows:

<u>Year</u>	<u>Annual Lease Revenue</u>
May 1, 2021 – May 31, 2021	\$395
June 1, 2021 – May 31, 2022	\$4,836
June 1, 2022 – May 31, 2023	\$4,932
June 1, 2023 – May 31, 2024	\$5,028
June 1, 2024 – May 31, 2025	\$5,124
June 1, 2025 – May 31, 2026	<u>\$5,232</u>
Total Revenue	<u>\$25,547</u>

BACKGROUND INFORMATION

The recommended action will amend an existing lease with The Olive Branch Development and Empowerment Services, Inc. (Olive Branch) to extend the term of the lease five years for the period of June 1, 2021 through May 31, 2026, following a permitted one month holdover from May 1, 2021 through May 31, 2021, revise the lease fee schedule, and update standard lease agreement language. Olive Branch is a non-profit organization that offers information, education and resources to the community.

On April 19, 2016 (Item No. 74), the Board of Directors (Board) approved a five-year lease agreement, No. 16-160, for the exclusive use Monday through Saturday of approximately 1,334 square feet of District-owned modular office space located at the Bloomington Recreation and Park District's Kessler Park located at 18400 Jurupa Avenue in Bloomington. The original term of the lease was for the period of May 1, 2016 through April 30, 2021.

The District notified the Real Estate Services Department (RESO) on February 18, 2021 to negotiate an extension of the Lease with the Olive Branch. Amendment No. 1 to Revenue Lease Agreement No. 16-160 extends the term of the lease five years, revises the lease fee schedule, and updates standard lease agreement language. All other terms and conditions of the lease remain unchanged.

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

Summary of Lease Terms

Lessee:	The Olive Branch Development and Empowerment Services, Inc. (Angela McClain, Agent)
Location:	18400 Jurupa Avenue, Bloomington
Size:	Approximately 1,334 square feet

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Term:	Five years (Monday through Saturday use) commencing June 1, 2021
Options	None
Rent:	Revenue per sq. ft. per month: approximately \$0.30 psf Monthly: \$403 Annual: \$4,836 *Low-range for comparable facilities in the Bloomington area per the competitive set analysis on file with RESD
Annual Increases:	2%
Improvement Costs:	None
Custodial	Provided by Lessee
Maintenance:	Provided by District
Utilities:	Provided by District; Lessee to pay electrical costs in excess of \$2,422 for FY 2021-22 with a 1% inflationary factor thereafter (utility cap)
Insurance:	The Certificate of Liability Insurance, as required by the lease, is on file with RESD
Right to Terminate:	Either party has the right to terminate with 30-days' notice
Parking:	Sufficient and common shared parking

PROCUREMENT

Pursuant to California Government Code Section 25212, and consistent with California Government Code Section 25526.6, the Board may grant leases for use of any District-owned property to a public benefit corporation in the manner and upon the terms and conditions as the Board determines upon a finding by the Board that the agreement is in the public interest and will not substantially conflict or interfere with the District's use of the property.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel and Dawn Martin, Deputy County Counsel, 387-5455) on April 12, 2021; Department of Public Works - Special Districts (Trevor Leja, Deputy Director, 386-8810) on March 5, 2021; Finance (Tom Forster, Administrative Analyst, 387-4635 and Carl Lofton, Administrative Analyst, 387-5404) on April 19, 2021; and County Finance and Administration (Matthew Erickson, Chief Financial Officer, 387-5423) on April 19, 2021.

(PN: 677-8321)

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Record of Action of the Board of Directors
Bloomington Recreation and Park District

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Col. Paul Cook (Ret.)

Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, SECRETARY

BY 
DATED: May 4, 2021



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

CCM 05/11/2021