



San Bernardino County

Legislation Text

File #: 3640, Agenda Item #: 48

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

February 9, 2021

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

GILBERT RAMOS, Director, Transitional Assistance Department

SUBJECT

Amendment No. 2 to Lease Agreement with San Bernardino CA I SGF LLC for Office Space for the Transitional Assistance Department in San Bernardino

RECOMMENDATION(S)

Approve Amendment No. 2 to Lease Agreement No. 17-928 with San Bernardino CA I SGF LLC to reflect a change in property ownership from 27th Street TAD, LLC to San Bernardino CA I SGF LLC for approximately 38,150 square feet of office space for the Transitional Assistance Department located at 2740 Little Mountain Drive in San Bernardino at no cost.

(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 Discretionary General Funding (Net County Cost). There is no cost associated with this amendment to reflect a property ownership change.

BACKGROUND INFORMATION

The recommended action will amend an existing lease agreement to reflect a change of property ownership, from 27th Street TAD, LLC to San Bernardino CA I SGF LLC for approximately 38,150 square feet of office space located at 2740 Little Mountain Drive, in San Bernardino for the Transitional Assistance Department (TAD).

On December 19, 2017 (Item No. 54), the Board of Supervisors (Board) approved a ten-year lease Agreement, No. 17-928, with two five-year options to extend the term of the lease for approximately 38,150 square feet of build-to-suit office space for TAD at 2740 Little Mountain Drive in San Bernardino. The original projected term of the lease was from August 1, 2019 through July 31, 2029, subject to the completion of certain turnkey improvements by the landlord. In the two years since the lease was originally approved, the Board has approved one amendment to change the projected improvement completion date from August 1, 2019 to May 1 2020, the projected lease commencement date from August 1, 2019 to May 1 2020, and the projected lease ending date from July 31, 2029 to April 30, 2030, and adjust the rent payment schedule due to

File #: 3640, Agenda Item #: 48

construction delays. The landlord has since completed improvements on May 1, 2020, as projected, and the lease commenced on May 1, 2020.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	April 2, 2019	22

Amendment No. 2 reflects a change of property ownership from 27th Street TAD, LLC to San Bernardino CA I SGF LLC. 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

Lessor: San Bernardino CA I SGF LLC (Joseph Capra)

Location: 2740 Little Mountain Drive, San Bernardino

Size: Approximately 38,150 square feet of office space

Term: 10 years, which commenced on May 1, 2020 and will end on April 30, 2030

Options: Two five-year options

Rent: Cost per sq. ft. per month: \$2.80
Monthly: \$ 106,820
Annual: \$ 1,302,441.00 (for the period of February 1, 2021 thru January 31, 2022)
* Mid-range for comparable facilities in the San Bernardino area per the competitive set analysis on file with RESD

Annual Increases: 2%

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 \$100,716 per year or approximately \$0.22 per square foot per month (electrical utility expense cap), which cap is increased 2% annually and an allocation up to \$45,000 for any additional unforeseen work to be authorized and paid by purchase orders as needed.

Insurance: The Certificate of Liability Insurance as required by the lease is on file with RESD

Right to Terminate: No right to terminate for convenience during the initial 10-year term; County can terminate with 90-days' notice during the extended term(s), if any.

Parking: 328 spaces; sufficient for County needs

PROCUREMENT

On December 19, 2017 (Item No. 54), the Board approved a ten-year lease Agreement, No. 17-928, which was procured in accordance with County Policy 12-02 - Procuring Privately Owned Real Property for County Use (Policy) using a Formal Request for Proposals (RFP) 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 Adam Ebright, Deputy County Counsel, 387-5455) on January 14, 2021; Human Services Department (John Hallen, Administrative Analyst, 388-0208) on January 13, 2021; Finance (Carl Lofton, Administrative Analyst, 387-5404) on January 25, 2021, and County Finance and Administration (Matthew Erickson, Chief Financial Officer, 387-5423) on January 25, 2020.

(JAG: 677-8210)