



San Bernardino County

Legislation Text

File #: 5167, Agenda Item #: 50

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

December 7, 2021

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
VERONICA KELLEY, Director, Department of Behavioral Health**

SUBJECT

Amendment to Lease Agreement with Rich Property, Inc. for Clubhouse Space for the Department of Behavioral Health in Victorville

RECOMMENDATION(S)

Approve Amendment No. 3 to Lease Agreement No. 02-1013 with Rich Property, Inc. to reflect a change in property ownership from RVF Properties, LLC to Rich Property, Inc. for approximately 2,880 square feet of clubhouse space for the Department of Behavioral Health located at 12625 Hesperia Road in Victorville, with no change to the total cost or term of December 1, 2002 through the current permitted Holdover period scheduled for renewal March 15, 2022.

(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 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 in property ownership from RVF Properties, LLC to Rich Property, Inc. for approximately 2,880 square feet of clubhouse space for the Department of Behavioral Health (DBH) located at 12625 Hesperia Road in Victorville.

On October 1, 2002 (Item No. 37), the Board of Supervisors (Board) approved a 10-year Lease Agreement, No. 02-1013, with three, two-year options to extend the term of the lease for approximately 2,880 square feet of clubhouse space at 12625 Hesperia Road in Victorville for client recreation/education purposes. The original term of the lease was for the period of December 1, 2002 through November 30, 2012. In the 19 years since the lease was originally approved, the Board has approved two amendments to reflect a change in property ownership, extend the term of the lease, provide for tenant improvements, delete a one-year option and add a two-year option and three-year option to extend the term, adjust the rental rate schedule, provide authority to the Real Estate Services Department Director to exercise an extension option, and update

standard lease agreement language.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	April 9, 2013	35
2	October 6, 2015	51
Option Exercise Notice	November 17, 2020	70

Amendment No. 3 reflects a change of property ownership from RVF Properties, LLC to Rich Property, Inc. All other terms and conditions of the lease remain unchanged.

A Companion Item on today's agenda recommends the Board approve Amendment No. 4 to Lease Agreement No. 98-51 with Rich Property, Inc. to reflect a change in property ownership from RVF Properties, LLC to Rich Property, Inc. for adjacent clinic and office space.

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:	Rich Properties, Inc. (Chiman Yoo, CEO)
Location:	12625 Hesperia Road, Victorville
Size:	2,880 square feet of clubhouse space
Term:	Three years, term commenced December 1, 2020
Options:	One two-year option
Rent:	Cost per sq. ft. per month: \$1.67* Modified gross Monthly: \$4,810 Annual: \$57,720 *Mid -range for comparable facilities in the Victorville area per the competitive set analysis on file with RESD
Annual Increases:	2.40%
Improvement Costs:	None
Custodial:	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor, County to pay electrical cost in excess of \$9,676.80 per lease year (\$0.28 per square foot per month), which is subject to 2% annual increase
Insurance:	The Certificate of Liability Insurance, as required by the lease, is on file with RESD

Right to Terminate: The County has the right to terminate with 90 days' notice

Parking: Sufficient for County needs

PROCUREMENT

Not applicable.

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 October 29, 2021; Department of Behavioral Health (Erica Ochoa, CHC - Chief Compliance Officer, 388-0882 and Emily Petrus, Administrative Supervisor, 388-0949) on October 25, 2021; Finance (Carl Lofton, Administrative Analyst, 387-5404 and Chris Lange, Administrative Analyst, 386-8393) on November 16, 2021; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-4376) on November 16, 2021.

(JAG: 677-8210)