



CONFIRE

STAFF REPORT

DATE: April 10, 2022

FROM: Art Andres, Director

TO: CONFIRE Board of Directors

SUBJECT: VALLEY COMMUNICATIONS CENTER

RECOMMENDATION

Accept the Administrative Committee's recommendation to adopt the CTA Consultant's Alternatives Analysis Report and approve CONFIRE to enter into a long-term lease agreement for the Valley Communications Center.

BACKGROUND

On June 22, 2021, the San Bernardino County Board of Supervisors awarded a contract to Griffin Structures Inc. for preconstruction and construction management for the Valley Communications Center (VCC) project. The site location selection process has been completed and costs associated with construction have been allocated by the Board. Preconstruction meetings have begun to determine space needs as well as common space required for all stakeholders. Construction is expected to be completed in 2025.

CONFIRE currently has 4 lease agreements with the County for the locations occupied in Rialto and Hesperia totaling **\$193,527** annually for 6,940 sq ft of space as well as 2 separate rack space agreements. Real Estate Services Department has provided CONFIRE with a proposed monthly lease for the VCC at \$19,620.04 per month or \$235,440.48 annually for 16,408 sq ft of space, including common space. The proposed lease does not include maintaining dispatch operations at the Hesperia Center which is currently \$100,314 annually.

CTA performed an analysis of several alternatives with associated costs. Every effort was made to ensure accurate comparisons of all the options, including renovating the existing facility in Rialto compared to building a new center. Status quo was used as a baseline but likely will not be available after 2025.

Thirty (30) year costs associated with the various options range from \$13,168,950 million to \$40,296,665 million. CTA analysis demonstrated it would be *"...extremely cost prohibitive to implement other options, and the cost of financing further exacerbates the funding required to successfully implement any of these options."*

The two most cost-effective options involve moving Rialto operations to the VCC. Option 1A & 1B outlined in the CTA analysis compare lease rates for VCC. Option 1B assumes an initial expenditure, using existing CIP funds, to buy down the terms of the lease agreement in the amount of \$3 million dollars. Option 1B would reduce the total 30-year cost by approximately \$6 million dollars, resulting in a net saving of \$3 million dollars over option 1A.

FISCAL IMPACTS

Based on current rates adopting Option 1, with the buy down option, from the CTA report would result in a net increase of **\$142,227** annually for all lease agreements, while maintaining operations in Hesperia and the proposed Valley Communications Centers. San Bernardino County has committed to executing a long-term lease agreement, locking in rates, and reducing the annual increase to 2% each year which is outlined in Appendix E of the CTA analysis.