STAFF REPORT

DATE: September 22, 2026

FROM: Nathan Cooke, Executive Director

TO: CONFIRE Board of Directors

SUBJECT: MIRO WAY PROPERTY AGREEMENTS AND HEADQUARTERS PLANNING

Recommended Action

1. Authorize the Executive Director, in consultation with legal counsel, to negotiate, finalize, and execute the definitive Ground Lease for 1743 Miro Way, Rialto, and related Valley Communications Center lease amendments.

   The final agreement must be substantially consistent with the material business terms reflected in the previously executed Letter of Intent (LOI) (dated 08/24/26) and may include customary provisions necessary to complete the transaction, provided they do not materially increase CONFIRE's financial obligations, materially reduce CONFIRE's rights, or materially alter the allocation of risk reflected in the LOI.

   Any material deviation from the approved business terms would require further Board approval.

2. Authorize the Executive Director to administer the Ground Lease due diligence process and exercise CONFIRE's rights during that period, including completing or extending due diligence, accepting the property and electing to commence the Ground Lease, or terminating the transaction if due diligence identifies conditions the Executive Director determines are unacceptable to CONFIRE, in consultation with legal counsel.

3. Authorize the Executive Director to pursue and initiate the development of a new long-term public safety administrative headquarters building on the Miro Way property, which would include a competitive procurement process such as a Request for Qualifications (RFQ) and or a Request for Proposal (RFP) to obtain design, project-delivery, preconstruction, construction, and market-pricing information. Prior to any contract award, construction authorization, final project scope, project budget, financing plan, or other material capital commitments required by CONFIRE, the Board of Directors would need to authorize such transaction(s), through formal Board action.

Background Information

Miro Way has become CONFIRE's preferred long-term facilities solution because it can replace reduced Valley Communications Center (VCC) space while consolidating administrative, EMS, MIS/IT, communications support, training, logistics, and regional public safety functions at a site already used for public safety purposes. The transaction developed after the County requested that CONFIRE relinquish the first floor of the Valley Communications Center while maintaining the previously negotiated upfront lease payment.

The signed August 24, 2026 Letter of Intent establishes the principal business framework for a 30-year Ground Lease of approximately 72,280 square feet at 1743 W. Miro Way for total ground rent of $1.00 with no rent escalation. The County would retain approximately 21,810 square feet associated with County communications infrastructure, and CONFIRE would receive non-exclusive use of approximately 70 parking spaces while assuming responsibility for its premises, utilities, maintenance, and future improvements.

The related reduction of CONFIRE's Valley Communications Center premises would not take effect unless CONFIRE completes or waives due diligence and elects to proceed with the Ground Lease. Under the Letter of Intent, the VCC premises would be reduced from approximately 18,652 square feet to approximately 12,586 square feet while the previously negotiated $2 million upfront rent payment remains unchanged, making the Miro Way Ground Lease and VCC amendment mutually dependent components of the transaction.

The proposed 30-year Ground Lease provides CONFIRE with long-term site control at nominal cost while preserving multiple options for continued public safety use beyond the initial term. The Letter of Intent provides an exclusive right of first negotiation before lease expiration, a separate opportunity to negotiate a future acquisition if the County later determines that the property is no longer required for County purposes, and a public safety covenant intended to preserve the site's governmental public safety use. Although the Letter of Intent does not guarantee a lease extension, future acquisition, or reimbursement for CONFIRE-funded improvements at the end of the term, these provisions preserve several pathways for CONFIRE to continue benefiting from the site beyond the initial 30-year lease period.

Execution of the Ground Lease will begin with a defined due diligence period, allowing CONFIRE to fully evaluate the Miro Way property before the lease commences. CONFIRE would have 90 days, with a potential 30-day extension subject to County approval, to evaluate title, zoning, land use, utilities, access, parking, environmental conditions, building systems, structural condition, and other site issues. At the end of that period, CONFIRE may accept the property and elect to commence the Ground Lease, request an extension, or terminate the agreement if the property is not acceptable.

CONFIRE is currently occupying the property via a temporary Use Permit which is serving as a short-term bridge allowing CONFIRE to continue public safety operations and begin environmental due diligence while the longer-term agreements are completed. The permit covers approximately 1.56 acres, or 67,954 square feet, for 27 calendar days from its commencement date and expressly allows a Phase I Environmental Site Assessment and, with County approval, additional invasive testing if recommended.

The Interim License Agreement is intended to prevent a gap in CONFIRE's occupancy after the temporary Use Permit expires and before the Ground Lease commences. The agreement will provide an interim framework for CONFIRE's continued use of the property while the County completes the definitive Ground Lease, allowing operations and due diligence activities to continue uninterrupted.

Headquarters Planning Direction

The Letter of Intent expressly contemplates redevelopment of Miro Way and allows CONFIRE, subject to County approval and all required governmental approvals, to renovate, demolish, reconstruct, replace, expand, or construct a new multi-story public safety facility. All design, permitting, site work, construction, maintenance, and operating costs for CONFIRE improvements would remain CONFIRE's responsibility, and the City of Rialto is identified as the primary permitting authority.

Preliminary planning has tested a permanent modular headquarters generally in the 25,000 to 27,500 gross square-foot range, with a larger option evaluated only to assess maximum feasibility. The planning work is intended to establish functional needs, site fit, phasing, and procurement requirements, rather than to determine a predetermined project cost. Competitive procurement will be used to establish current market pricing before staff return to the Board with a recommended project scope, contract award, and funding plan.

Board direction on the headquarters project is appropriate now because lease completion, due diligence, site validation, and competitive procurement planning can proceed in parallel without committing CONFIRE to construction. A competitive solicitation can provide the Board with a validated delivery approach, site-fit and phasing analysis, project schedule, and market-based pricing before any construction contract is awarded.

The proposed procurement authorization is intentionally limited to planning and solicitation and would preserve a separate Board decision on the actual capital project. Staff would return with the recommended contractor or project team, final scope, construction and soft costs, contingency, funding or financing plan, schedule, due diligence results, and confirmation of the Ground Lease conditions before requesting authority to award a construction contract or proceed with the project.

Financial Impact

The Miro Way ground lease would be $1.00 for the full 30-year term with no escalation.

The related VCC amendment would reduce CONFIRE's leased premises, while maintaining the previously negotiated $2 million upfront payment, and the final lease documents will define the resulting long-term occupancy obligations.

This agenda item does not authorize construction or establish a final project cost for the proposed new headquarters building. Any future design, preconstruction, construction, financing, or related project expenditure that exceeds existing delegated and budget authority would be returned to the Board with a defined scope, competitive procurement outcome, and funding plan.

Attachments

1. August 24, 2026 Signed Letter of Intent