



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: January 13, 2026

03

TO: Board of Supervisors

SUBJECT

GENERAL SERVICES – APPROVE AMENDED AND RESTATED LEASE AGREEMENT WITH PADRES L.P. FOR PARKING IN THE JAMES R. MILLS BUILDING PARKING STRUCTURE AND NOTICE OF EXEMPTION (DISTRICT: 1)

OVERVIEW

The James R. Mills Building and parking structure, located at 1255 Imperial Avenue, San Diego is currently owned by the San Diego Regional Building Authority (SDRBA), a joint powers agency composed of the County of San Diego (County) and the Metropolitan Transit System (MTS). On January 30, 2007 (10), the Board of Supervisors (Board) approved a lease between Padres L.P. (Padres) and the County, together with MTS and SDRBA, for 300 parking spaces and subsequently approved a first amendment to the lease on May 21, 2019 (12) to clarify terms and collect back rent owed by Padres. The period for the Padres to exercise their option to extend the term of the lease has been increased to allow time for an amendment to be negotiated.

County, MTS, and Padres have negotiated a second amendment to the lease that increases the per parking space rental rate and reduces the base number of parking spaces. Today's request is for Board approval of the amended and restated lease agreement.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed amended and restated lease is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines section 15301.
2. Approve and authorize the Director, Department of General Services, or designee, to execute the proposed amended and restated lease for the premises located at 1255 Imperial Avenue, San Diego. **(4 VOTES)**

EQUITY IMPACT STATEMENT

It is anticipated that the proposed lease amendment with the Padres will have a positive impact on the community as it supports the Health and Human Services Agency's operations, which ensures access for all through a fully optimized health and social service delivery system.

SUSTAINABILITY IMPACT STATEMENT

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Implementing effective sustainability objectives is crucial to ensuring safe and healthy communities and contributing to the overall success of the region. The approval of the amended and restated lease is appropriate as it supports the County’s Strategic Initiative of Sustainability as it aligns available resources with services to maintain fiscal stability.

FISCAL IMPACT

If the amended and restated lease is approved, the County share of revenue is expected to decrease by approximately \$69,000 in Fiscal Year 2025-26 and \$139,000 per year thereafter. The lease revenue is included in the James R. Mills Building Operating and Capital Expenditures funds to offset operating expenses for the portion of the James R. Mills Building occupied by the Health and Human Services Agency. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The James R. Mills Building and parking structure, located at 1255 Imperial Avenue, San Diego is currently owned by the San Diego Regional Building Authority (SDRBA), a joint powers agency composed of the County of San Diego (County) and the Metropolitan Transit System (MTS). The Health and Human Services Agency (HHSA) and MTS jointly occupy the 180,000 square foot building and adjacent parking structure. On January 30, 2007 (10), the Board of Supervisors (Board) approved a lease between Padres L.P. and the County, together with MTS and SDRBA, for three hundred parking spaces in the Mills Building parking structure for use by Padres employees. The Board subsequently approved a first amendment to the lease on May 21, 2019 (12) to clarify terms and collect back rent owed by Padres L.P.

The Padres recently requested that SDRBA, County, and MTS consider an amendment to the lease that would allow them to increase and decrease the number of stalls every year based on their needs. The current lease allows the Padres to decrease the number of stalls annually, not increase them. In response to that request, staff from the Department of General Services and MTS have negotiated an amended and restated lease that will reset the base number of stalls to 150 and allow Padres to flex between 100 and 200 stalls every year. The amended and restated lease also includes an increase in the per parking space rental rate from \$21.37 to \$27.48. The revenue generated by this lease is used to offset building operating expenses, of which the County is responsible for 64.09% based on HHSA’s occupancy. The decreased revenue will be offset by existing appropriations and is expected to have no impact on operations.

ENVIRONMENTAL STATEMENT

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The proposed amended and restated lease is categorically exempt from environmental review pursuant to Section 15301 of the California Environmental Quality Act Guidelines because it involves amending an existing lease for use of an existing parking structure, involving negligible or no expansion of the existing use. See Attachment A for Notice of Exemption.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action to approve the lease amendment supports the Community Initiative of the County of San Diego's 2026-2031 Strategic Plan by utilizing resources with community partners that benefit the region.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ebony N. Shelton', written in a cursive style.

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT

Attachment A: Notice of Exemption