



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fifth District

DATE: April 8, 2025

08

TO: Board of Supervisors

SUBJECT

GENERAL SERVICES – APPROVE NEW LEASE FOR TREASURER-TAX COLLECTOR, 2275 RIO BONITO WAY, SAN DIEGO, AND RECEIVE NOTICE OF EXEMPTION (DISTRICT: 4)

OVERVIEW

The San Diego County Treasurer-Tax Collector (TTC) Remittance Processing Unit has operated out of the County Administration Center (CAC) for over 30 years. The Remittance Processing Unit was temporarily relocated to the County Operations Center (COC) due to issues related to flooding during the January 2024 rainstorms. Since the space at the CAC no longer meets TTC's operational needs and the space at COC will need to be vacated for other uses, the County administratively approved a site search for replacement space.

Staff from the Department of General Services have negotiated a new lease agreement for 2,769 square feet of space located at 2275 Rio Bonito Way in San Diego, California. Today's request is for Board approval of the lease agreement.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find the proposed lease for Treasurer-Tax Collector is exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to State CEQA Guidelines Section 15301.
2. Approve and authorize the Director, Department of General Services, to execute the proposed lease for premises located at 2275 Rio Bonito Way, San Diego, California.

EQUITY IMPACT STATEMENT

The mission of the Treasurer-Tax Collector (TTC) office is to provide all residents of San Diego County with superior financial services and the highest levels of customer service. It is anticipated that the proposed lease for TTC will have a positive impact on the community by finding a permanent location for an essential unit of their operation.

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SUSTAINABILITY IMPACT STATEMENT

Implementing effective sustainability objectives are crucial to ensuring safe and healthy communities and contributing to the overall success of the region. The approval of this lease for Treasurer-Tax Collector is appropriate as it supports the County’s Strategic Initiative of Sustainability to ensure the capability to respond to the immediate needs of individuals, families, and the region.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2025-26 CAO Recommended Operational Plan for Treasurer-Tax Collector (TTC). If approved, this request will result in Fiscal Year 2025-26 costs and revenue of approximately \$90,963 based on an estimated commencement date of October 1, 2025. A 3% rent adjustment will go into effect October 2026. Funds for the remaining contract term and each option year, if exercised, will be included in future years’ Operational Plans for TTC. The funding source is TTC program revenue including Tax Collection fees, AB 2890 revenue and Banking Pool offset revenue, and General Purpose Revenue. TTC will rely on program revenues to fund future rent increases. 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 San Diego County Treasurer-Tax Collector (TTC) Remittance Processing Unit has operated out of the County Administration Center (CAC) for over 30 years. The Remittance Processing Unit processes tax payments that are sent in the mail. The Remittance Processing Unit was temporarily relocated to the County Operations Center (COC) due to issues related to flooding during the January 2024 rainstorms. Since the space at the CAC no longer meets TTC’s operational needs and the space at COC will need to be vacated for other uses, the County administratively approved a site search for replacement space on March 4, 2024. A space validation confirmed the need for approximately 2,900 square feet of space to accommodate staff and specialized large equipment used by the Remittance Processing Unit.

Staff from the Department of General Services have negotiated a new lease agreement for 2,769 square feet of space located at 2275 Rio Bonito Way in San Diego, California. The lease includes an allowance of \$249,210 for the construction of County directed tenant improvements at the landlord’s expense. If the tenant improvements exceed the tenant improvement allowance, the lease requires the County to reimburse the Lessor for the additional tenant improvement costs.

Details of the proposed lease are as follows:

LEASE PROVISION	PROPOSED LEASE
LESSOR	SDCO Rio San Diego Plaza II Inc.

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PREMISES	Approximately 2,769 square feet on the first floor of the building located at 2275 Rio Bonito Way, San Diego
TERM	Five (5) years
OPTION TO EXTEND	One five-year option
EARLY TERMINATION	None
RENT ADJUSTMENTS	3% annually
TENANT IMPROVEMENT ALLOWANCE	\$249,210
PARKING	10 parking spaces
UTILITIES	County pays for electricity and voice/data. Lessor pays for all other utilities.
MAINTENANCE	Lessor pays
CUSTODIAL	Lessor pays
MONTHLY OCCUPANCY COST	
	Rent \$9,415 (\$3.40/SF)
	Electricity \$ 692 (\$0.25/SF)
	Custodial \$ 0
	Maintenance \$ 0
	Parking \$ 0
TOTAL OCCUPANCY COST	\$10,107 (3.65/SF)

ENVIRONMENTAL STATEMENT

The proposed lease is categorically exempt from environmental review pursuant to Section 15301 of the California Environmental Quality Act Guidelines because it involves the lease of an existing office building with minor interior alterations, involving negligible or no expansion of the existing use.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action to approve the lease for the Treasurer-Tax Collector Remittance Processing Unit supports the Empower Initiative in the County's 2025-2030 Strategic Plan by providing infrastructure for our workforce to ensure continuity of operations.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT

Attachment A: Notice of Exemption