




COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: July 15, 2002

BOARD MEETING DATE: July 30, 2002

TO: Honorable Board of Supervisors

FROM: Paul T. Scannell, Assistant County Manager 

SUBJECT: Second Lease Amendment for Office Space at 264 Harbor Boulevard, Belmont, for the Human Services Agency. (Lease No. 1185)

Recommendation

Adopt a Resolution authorizing the President of the Board of Supervisors to execute a Second Lease Amendment with Harbor Belmont Associates for office space at 264 Harbor Boulevard, Belmont, California.

Background

On June 25, 2002, this Board adopted Resolution No. 65402 adopting Plans and Specifications and calling for sealed proposals for the Seismic Retrofit of the 5th Floor of the San Mateo County Hall of Justice and Records. Sealed proposals for the project are to be received by the County on or before July 23, 2002. The Public Works Director's memo accompanying that Resolution noted that the Probation Department would temporarily vacate the 5th floor during the retrofit work. DPW estimates that construction can be completed in approximately six months if the fifth floor is vacated, but that this final phase could take as long as twelve months if the Probation Department does not relocate temporarily.

Real Property Services has negotiated the short-term lease of a portion of the Harbor Park in Belmont in order to accommodate temporary relocation of the Probation Department during construction. The owner of the Harbor Park has agreed to amend the County's lease of 264 Harbor Boulevard, which is a lease of premises currently occupied by HSA. The amendment authorizes the use of space at 310 Harbor Boulevard that is needed to accommodate the temporary relocation of the Probation Department.

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Discussion

The Probation Department currently occupies approximately 18,230 square feet on the fifth floor of the Hall of Justice. The temporary offices at 310 Harbor Boulevard consist of approximately 23,000 square feet, which is sufficient space to accommodate Probation without the added expense of extensive remodeling of the temporary facility. It is anticipated that the Probation Department will occupy the temporary premises for six months, but the agreement with the landlord ensures that the space can be available to the County, if needed, for at least eight months, and potentially for as long as twelve months.

The Second Lease Amendment has been negotiated with Harbor Belmont Associates and is summarized as follows:

1. The temporary premises are comprised of 23,000 square feet.
2. Rent for the temporary use will commence upon occupancy and terminate on August 31, 2003, except that the County may terminate at any time after the fifth month by giving 30 days notice.
3. The monthly rental for the temporary premises is \$34,500 (\$1.50 per square foot).
4. Without additional charge, the landlord will provide the use of existing workstations at the temporary premises.
5. The Landlord may elect to terminate the agreement at any time after the fifth month by giving ninety days notice.

For the projected six-month construction period of the Seismic Retrofit Project, the total rent of \$207,000 for the temporary premises exceeds by approximately \$66,000 the facility rent allocated in the Probation Department's 2002/03 budget for the 5th floor of the Hall of Justice. It is estimated that to move to the temporary location, establish temporary telephone and computer network connections, and move back to the Hall of Justice will cost an additional \$75,000 to \$100,000.

It is projected that the temporary relocation of the Probation Department will result in significant savings in the cost of the final phase of the seismic retrofit of the Hall of Justice. Those savings should be equal to, or greater than, the cost of the temporary relocation. It is also anticipated that the temporary relocation of staff will be less disruptive to the daily operation of the Probation Department than attempting to use the facility during construction. Use of the existing furniture system at the temporary premises and coordination with existing County telephone and data infrastructure at the Harbor Park combine to minimize the cost of the move.

The Directors of the Probation and Public Works Departments concur in this recommendation. County Counsel has reviewed and approved the Second Lease Amendment as to form.

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Vision Alignment

The proposed lease contributes to keeping the commitment of ensuring basic health and safety for all, and addresses goal number 7, to "maintain and enhance the public safety of all residents and visitors". The temporary relocation will provide a safe and healthy work environment for County staff and visitors during the seismic retrofit work, which work will enhance the long-term safety of all who use the Hall of Justice and Records.

Fiscal Impact

Approximately \$141,000 of the projected \$207,000 in rent for the temporary premises is included in the Probation Department budget for Fiscal Year 2002/03. If there are any Seismic Retrofit Project funds that are not expended to complete the construction project, they will be used to pay rent and moving costs that are not otherwise included in the 2002/03 Budget. The remaining balance of such costs, if any, will be paid from Probation Department and Non-Departmental Reserves.

cc: D. Penny Bennett, Deputy County Counsel, w/ encl.
cc: w/o encl.
Loren Buddress, Probation Department Director
Stuart Forrest, Probation
Neil Cullen, Public Works Director
Attn: Susan Durling, Executive Secretary
Donna Vaillancourt, DPW
Noel Manuel, DPW
Steve Alms, Real Property

RECOMMENDED

J. Mathis
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COUNTY MANAGER