



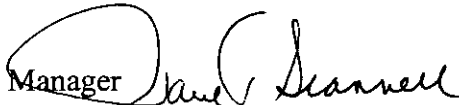
COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: June 30, 2003

BOARD MEETING DATE: July 15, 2003

TO: Honorable Board of Supervisors

FROM: Paul T. Scannell, Assistant County Manager 

SUBJECT: Second Lease Amendment for Office Space at 550 Quarry Road, San Carlos, California for the Human Services Agency. (Lease No. 1146)

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Adopt a Resolution authorizing the President of the Board of Supervisors to execute a Second Lease Amendment with Vernazza Properties for office and warehouse space at 550 Quarry Road, San Carlos, California.

Background

The Human Services Agency occupies office and warehouse space in the building at 550 Quarry Road under the terms of the lease dated December 15, 1998, as amended by the Second Amendment dated November 2, 1999. The proposed Second Lease Amendment to the 550 Quarry Road lease provides for the construction by the landlord of an additional 5,000 square feet, which will be used by HSA to alleviate overcrowding in adjacent areas of the premises.

Discussion

A Second Lease Amendment has been negotiated with Vernazza Properties. Under the terms of the Amendment the landlord will, at its cost, expand the existing second story of the building by approximately 5,000 square feet. In addition, the landlord will make certain improvements to the existing ground floor lobby area. The lobby alterations requested by HSA have been designed to make better use of the existing facility, and to provide improved separation of the variety of functions conducted at the location.

Once the landlord has completed construction of the 5,000 square foot second floor addition,

the base rent for the premises will increase by \$7,500 per month. After the increase, the monthly rent (including the "Supplement to Monthly Rent" to amortize the cost of improvements made for the County under the original lease) will be \$78,811.28 (\pm \$1.17 per square foot per month). In coordination with the landlord's construction, HSA will, at the cost of the department, install workstations that comply with the County's current ergonomic standards, together with the necessary electrical, telephone, and data cabling.

The Director of the Human Services Agency concurs in this recommendation. County Counsel has reviewed and approved the Second Lease Amendment as to form.

Visi-a Alignment

The Second Amendment keeps the commitment of ensuring basic health and safety for all... goal number 8: "Help vulnerable people - the aged, disabled, mentally ill, at-risk youth and others - achieve a better quality of life". The amendment contributes to this commitment and goal number 8 by providing the expansion space needed to support the delivery of programs and services that produce positive outcomes in our community.

Fiscal Impact

Based on an estimated completion of construction of September 1, 2003, this amendment results in an additional \$75,000 in rent under the terms of the lease for FY 2003-04. The Net County Cost of this lease amendment is estimated at \$5,900. This cost has been included in the Human Services Agency Recommended Budget for FY 2003-04.

Cc: w/ encl.: D. Penny Bennett, Deputy County Counsel
cc: Maureen Borland, HSA
Phil Naylor, HSA
Patty Lockman, HSA
Steve Alms, Real Property

RECOMMENDED

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COUNTY MANAGER