



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: May 4, 2006
BOARD MEETING DATE: May 23, 2006
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Steve Alms, Manager, Real Property Division

SUBJECT: Third Lease Amendment with Dan and Linda Bortolotti for the Sheriff's Coastside Substation at 500 California Street, unincorporated Moss Beach, California. (Lease No. 1219)

RECOMMENDATION:

Adopt a resolution authorizing:

1. Execution of an amendment to the lease with Dan and Linda Bortolotti for the Sheriff's Substation at 500 California Street, Moss Beach extending the term for an additional three years to June, 30, 2012, and providing the County an option to extend for an additional three years to June 30, 2015 under the same terms and conditions, and
2. The County Manager or designee to accept or execute on behalf of the County, any and all notices, options, consents, approvals, terminations and documents in connection with the Amendment and the Lease.

VISION ALIGNMENT:

Commitment: Responsive, effective and collaborative government.

Goal 20: Government decisions are based on careful consideration of future impact, rather than immediate gain. The amendment contributes to this commitment and goal by maintaining a local presence for the Sheriff's Office to serve the public on the coast and assuring a favorable lease rate at the premises until 2015.

PERFORMANCE MEASURES:

The negotiated rate of \$1.58 per square foot per month compares favorably with the Countywide average asking rate of \$2.10 per square foot.

Measure	Actual	County-wide
Average Asking Rate:	\$1.58 per sq. ft.	\$2.10 per sq. ft.

BACKGROUND:

The Sheriff's Office has operated a substation at 500 California Street in Moss Beach since July of 1998. The substation is located on property owned by Dan and Linda Bortolotti and leased to the County. In 2001, as authorized by Resolution No. 64847, the First Amendment increased the area of the premises by approximately 850 square feet. The First Amendment also modified the premises to include the entire parcel, including the building, parking lot and landscaped area. In 2004, as authorized by Resolution No. 66790, the Second Amendment extended the agreement for an additional five years. The lease agreement is scheduled to expire on June 30, 2009, with an option to extend for one additional year.

DISCUSSION:

As set forth in the First Amendment, the Leased Premises includes the entire parcel and all improvements on it. MetroPCS proposes to lease a portion of the premises from Landlord for use as a cell site. The use of a portion of the property for a cell site would not conflict with the use of the Premises by the Sheriff. In order to accept the MetroPCS proposal, the landlord must obtain the consent of the County. Landlord has asked the County to consent to a lease between the Landlord and MetroPCS for a portion of the property for use as a communication facility. As an inducement to County's consent to the lease, Landlord has agreed to extend the term of the County's lease until 2012 on the current favorable terms, and to grant the County an option to further extend the lease until 2015.

The Third Lease Amendment extends the term of the Lease through June 30, 2012, and provides the County with an option to extend for an additional three-year term under the same terms and conditions. The Amendment also gives the County Manager authority to consent to the MetroPCS lease, to exercise the 3-year option, and to sign notices, approvals and other documents in connection with the Amendment and the Lease.

Improvements needed to bring the facility into compliance with ADA have been identified in the County's transition plan. Funds for that purpose are included in the 2006/2007 budget of the Commission on Disabilities.

The Sheriff concurs in this recommendation.

FISCAL IMPACT:

The current lease rate is \$71,916.48 annually or \$1.58 per square foot monthly. Based on an estimated CPI increase of 3%, the annual rent for fiscal year 2006/2007 is \$74,073.97. The Sheriff's Office has adequate funds budgeted in the proposed 2006/2007 fiscal year budget.

cc:/enc: D. Penny Bennett, Deputy County Counsel
cc: Don Horsley, Sheriff
Lee Lazaro, Deputy Director, Sheriff's Office
Steve Shively, Lieutenant, Sheriff's Office
Arthur Morris, Deputy Director of Health