



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: July 31, 2006
BOARD MEETING DATE: August 15, 2006
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Steve Alms, Manager, Real Property Services Division

SUBJECT: Lease agreement with San Mateo Credit Union of the office building at 411 Middlefield Road, Redwood City, for the Planning and Building Division of the Environmental Services Agency. (Lease No. 1279)

RECOMMENDATION:

Adopt a resolution authorizing the Board President to execute a Lease Agreement with San Mateo Credit Union for the building at 411 Middlefield Road, Redwood City, and authorizing the County Manager or his designee to execute notices, options and documents associated with the Lease including, but not limited to, extension or termination of the agreement under the terms set forth therein.

VISION ALIGNMENT:

Commitment: Responsive, effective and collaborative government.

Goal(s): County employees understand, support and integrate the County vision and goals into their delivery of service. The Lease Agreement contributes to this goal by providing a conveniently located temporary facility for the Planning and Building Division so that it can maintain effective operations and service during renovation of the Division's offices at 455 County Center, which renovation will enhance the level of service and efficiency of the Division.

Performance Measure(s):

Real Property Services strives to maintain an average cost of leased facilities that compares favorably with the average asking rate for comparable facilities in the County.

Measure	Lease - Actual	Avg. Asking Rate San Mateo County 2ndQ-2006
	\$1.50	\$2.19
The negotiated full service rate of \$1.50 per square foot per month compares favorably with the average asking rate for San Mateo County of \$2.19.		

BACKGROUND:

The Planning and Building Division established a plan to remodel and renovate its existing offices on the second floor of 455 County Center. The plan addresses the desire to improve workflow patterns and the need to accommodate increased staffing levels as authorized by your Board in December 2005 in response to the Planning and Building Task Force Report issued in June 2005. Remodeling is scheduled to begin in September.

DISCUSSION:

The proposed six-month lease of approximately 17,432 rentable square feet of office space provides a temporary location during the renovation, which will enable the County to expedite completion of improvements in the County owned building. The lease gives the County the right, upon delivery of written notice from the County Manager, to hold over for up to three additional months beyond the end of the term on the same terms and conditions. The right to hold over protects the County in the event of construction delays. The landlord, at its expense, has committed to make the necessary modifications to workstations at the premises to accommodate the use of the Division. The premises are furnished, which will significantly limit moving costs and the disruption of operations. The rent of \$26,150 per month, approximately \$1.50 per square foot, is fixed for the term. The landlord provides all utilities and services, and pays all ordinary maintenance at no additional charge.

Due to the temporary nature of the use, full ADA compliance throughout the facility cannot be achieved during the term of this agreement. Physical and programmatic accommodations will be implemented to ensure accessibility to areas of public access.

The Director of the Environmental Services Agency, the Director of Community Development and the ADA Compliance Committee concur in this recommendation.

FISCAL IMPACT:

The rent of \$156,900 for the six-month term is included as part of the Capital Projects portion of the Planning and Building Division's budget for Fiscal Year 2006/2007 as adopted by the County.

cc w/enc: D. Penny Bennett, Deputy County Counsel
cc: Marcia Raines, Director, Environmental Services Agency
Lisa Grote, Director, Community Development
Arthur Morris, Deputy Director of Health