



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

County Manager

**DATE:** February 2, 2007

**BOARD MEETING DATE:** February 27, 2007

**SPECIAL NOTICE/HEARING:** no

**VOTE REQUIRED:** majority

**TO:** Honorable Board of Supervisors

**FROM:** Steve Alms, Manager, Real Property Division

**SUBJECT:** Termination of Lease with Coyote Restaurant Corporation  
(Castaway Restaurant) Lease No. 5022

**RECOMMENDATION:**

Adopt a resolution accepting the offer to surrender the premises and terminating the lease with Coyote Restaurant Corporation, and authorizing the County Manager or his designee to execute all notices and documents necessary to effect the termination.

**VISION ALIGNMENT**

The proposed action is consistent with the commitment to preserve and provide people with access to our natural environment, and with goal No. 22, in that residents will have enhanced nearby access to green space, such as park and recreational opportunities.

**BACKGROUND:**

On February 11, 1964 the County of San Mateo and the Coyote Restaurant Corporation entered into a ground lease (No. 5022) for a portion of Coyote Point Regional Park for the construction and operation of a restaurant and bar, which Lease was amended March 4, 1975 and on December 18, 1990.

The tenants have not used the lease premises for the purposes specified in the lease since 1997, and have not paid rent since July 2006, both of which lead to a belief that the tenant has abandoned the premises. Efforts to negotiate an

agreement to terminate the lease have not been productive.

Therefore, on January 3, 2007, the County Manager sent tenant a Notice of Belief of Abandonment, which notified the tenant that the real property would be deemed abandoned unless before January 24, 2007, the County received a written notice from the tenant stating (1) the intent not to abandon the real property, and (2) an address at which the tenant may be served by certified mail in any action for unlawful detainer of the real property.

**DISCUSSION:**

The tenant failed to deliver the required response to the Notice of Belief of Abandonment by January 24, 2007. As a matter of law, the tenant's failure to timely and completely respond to the January 3 Notice amounts to an offer to surrender the premises and to terminate the lease.

Real Property Services did receive a letter from the tenant's attorney on January 25, 2007, indicating that the tenant would deliver a revised draft of the County's proposed agreement terminating the lease. In subsequent telephone conversations the tenant confirmed that intention, but the promised agreement has not been delivered.

The previous use of the park premises as a restaurant is not consistent with the anticipated long term use of Coyote Point Park. Termination of the lease will facilitate demolition of the improvements, exploration of more significant revenue producing opportunities and expanded public access to the park.

The Director of the Department of Parks concurs in this recommendation.

**FISCAL IMPACT:**

There is no indication that tenant will make further payments of the \$800 per month rent required by the lease. The proposed termination does not preclude pursuing past due rent and damages from the tenant, but the tenant maintains that it has no assets from which to meet such demands. Parks currently incurs monthly expenses of \$300 - \$500 to secure the premises. Demolition of the improvements on the premises is expected to result in a reduction in security-related expenses.

cc w/ encl: Penny Bennett, Deputy County Counsel  
cc: Dave Holland, Director, Department of Parks