



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: April 30, 2007
BOARD MEETING DATE: May 15, 2007
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Steve Alms, Manager, Real Property Services Division

SUBJECT: Lease agreement with Vista Marin, LLC, a limited liability company, of a portion of the office building at 900 Veterans Boulevard, Redwood City, for the Health Department. (Lease No. 1282)

RECOMMENDATION:

Adopt a resolution authorizing and directing:

- 1) The Board President to execute a Lease Agreement with Vista Marin, LLC, a limited liability company, of a portion of the office building at 900 Veterans Boulevard, Redwood City, at an initial monthly rent of \$10,014.30 for a term of five years with one option to extend for an additional five years, and
- 2) 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: Ensure basic health and safety for all.

Goal(s):

Goal 5. Residents have access to healthcare and preventive care.

The Lease Agreement contributes to this goal by establishing administrative functions in proximity to County Center that will enable the Mental Health Division to efficiently provide support services.

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 Q4-2006
All Offices	\$2.70	\$2.44
<p>The negotiated full service rate of \$2.70 per square foot per month for the Premises is higher than the current countywide Average Asking Rate for all office space of \$2.44. The rate is a reflection of the leasehold improvements that the landlord will make to the Premises, including a commitment by the landlord to remodel the rest rooms serving the Premises in order to comply with the Americans With Disabilities Act (ADA). Real Property Services fully explored the market in the vicinity of County Center, negotiating with multiple landlords to ensure that the facility complies with ADA. Based on the quality, condition and size of the facility, the negotiated rate reflects the fair rental value of the premises.</p>		

BACKGROUND:

Mental Health facilities throughout the County have become over-crowded as a result of staffing increases made necessary by the Mental Health Services Act. This location will provide administrative office space for staff who need to be stationed near County Center, some of whom will be moved from the Mental Health Clinic at 802 Brewster Street to alleviate over-crowding at that leased facility. No direct services to the public will be provided at this location.

DISCUSSION:

Real Property Services has negotiated a lease of approximately 3,709 square feet in the building at 900 Veterans Boulevard, Redwood City. The premises include portions of the second and third floors. The initial monthly rent of \$10,014.30 is subject to annual escalation. The term commences retroactive to May 1, 2007, and expires April 30, 2012, subject to the County's right to extend the term for one additional five-year period.

Portions of the premises can be occupied without improvement. If the landlord fails to complete agreed upon leasehold improvements by July 1, 2007, rent will be abated until completion of the improvements. The landlord, at its expense, will also complete renovation of the third floor rest rooms to fully comply with ADA. Those improvements will be completed as soon as reasonably possible, but in no event more than twelve months from the lease commencement date.

The Director of the Department of Public Health and the ADA Compliance Committee concur in this recommendation.

FISCAL IMPACT:

The monthly rent of \$10,014.30 for the initial year of the five-year term is included in the proposed Health Department budget for Fiscal Year 2007/2008.

cc w/enc: Lee Thompson, Deputy County Counsel
cc: Charlene Silva, Director, Health Department
Arthur Morris, Deputy Director, Health Department