



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: May 1, 2007
BOARD MEETING DATE: May 22, 2007
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Steve Alms, Manager, Real Property Division

SUBJECT: Second Amendment to Lease Agreement with Keet Nerhan for the Sonrisas Dental Clinic at 210 San Mateo Road, Half Moon Bay (Lease No. 1240).

RECOMMENDATION:

Adopt a resolution authorizing:

1. Execution of a Second Amendment to the Lease Agreement Between Keet Nerhan and the County of San Mateo, for the Lease of the Office/Clinic Space at 210 San Mateo Road, Half Moon Bay, California, which changes the term to a month-to-month basis, 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 Lease and any amendments thereto.

VISION ALIGNMENT:

Commitment: Ensure basic health and safety for all.

Goal 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 by increasing the capacity of the County to offer needed dental services to the Coastside community.

PERFORMANCE MEASURES:

This facility is dental office/clinic space. Market rates for such facilities are significantly higher than for general office space. Although the rate of \$2.75 per square foot per month is significantly higher than the Countywide average asking rate of \$2.44 per square foot for general office space, it compares favorably with other dental space in the County.

Measure	Actual	County-wide
Average Asking Rate:	\$2.75 per sq. ft.	\$2.44 per sq. ft.

BACKGROUND:

Since 2000, the County Health Department has leased approximately 1,000 square feet of office/clinic space at 210 San Mateo Road in Half Moon Bay. The space is leased for Sonrisas Community Dental Center, which is operated by Coastside Medical Dental Clinics, Inc. dba Sonrisas Community Dental Center, to provide dental services and education to low income, uninsured and underinsured families on the Coast. The clinic has served approximately 3,200 patients and sees approximately 1,500 of those patients per year. Sonrisas is currently the only dental provider on the Coast that accepts MediCal, Healthy Families and Healthy Kids insurance coverage.

The County's transition plan has identified extensive improvements needed to bring the facility into compliance with ADA requirements. The original agreement expired on November 30, 2006, and as authorized by Resolution No. 68385, the First Amendment to lease extended the termination date to May 31, 2007 to allow the County time to determine the feasibility of making the necessary repairs and improvements, or to find and secure a new location that will meet all ADA Requirements.

It has been determined that the current location will not serve the future needs of Sonrisas and the Real Property Division and Health Department are actively searching for a new location. This Second Amendment will allow the lease to continue on a month to month basis, until the County or the Landlord provide notice of termination. This should provide time to identify and secure a lease at a new location that will meet all ADA requirements and accommodate Sonrisas growing clientele.

DISCUSSION:

Negotiations on the first alternative site identified by Real Property Services were unsuccessful. Another site has been identified and Real Property has entered into preliminary negotiations with the Landlord.

The Second Lease Amendment modifies the term of the agreement to month-to-month, and is otherwise on the same terms and conditions contained in the Lease.

The Director of the Health Department concurs with this recommendation.

FISCAL IMPACT:

The current lease rate is \$2,750 per month. Adequate funds have been budgeted in the recommended 2007/2008 fiscal year budget.

- cc:/enc: Lee Thompson, Deputy County Counsel
- cc: Charlene Silva, Director, Health Department
- Brian Zamora, Director, Public Health Services
- Arthur Morris, Deputy Director, Health