



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

County Manager's Office

**DATE:** June 1, 2007  
**BOARD MEETING DATE:** June 26, 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 Raiser Resources, LLC and DeLuna Investments, LLC of warehouse space at 1700 Industrial Road, San Carlos, for the Sheriff's Office of Emergency Services, the Vehicle Theft Task Force and the Narcotics Task Force. (Lease No. 1284)

**RECOMMENDATION:**

Adopt a resolution:

- A). Authorizing the execution of a Lease Agreement with Raiser Resources, LLC and DeLuna Investments, LLC of 9,760 square feet of warehouse space at 1700 Industrial Road, San Carlos, at an initial monthly rent of \$6,832 for a term of five years from July 1, 2007 to June 30, 2012, with one option to extend for an additional five years, and
- B). 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:** Ensure basic health and safety for all.

**Goal(s):** Goal 7. Maintain and enhance the public safety of all residents and visitors. The Lease Agreement contributes to this goal by providing a centrally located facility for the storage of equipment for the Sheriff's Office of Emergency Services (OES) so that it can respond in an efficient and timely manner throughout the County. The facility also provides a secure and convenient location for the Vehicle Theft Task Force (VTTF) and Narcotics Task Force (NTF) to store equipment and evidence.

**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. The negotiated industrial gross lease rate of \$0.70 per square foot per month equates to approximately \$0.55 per square foot per month on a triple net basis, which compares favorably with the average asking rate in the County of \$0.74 per square foot triple net for industrial/warehouse space.

<b>Measure</b>	<b>Lease – Actual (Industrial Gross) FY 2007/2008</b>	<b>Avg. Asking Rate San Mateo County Industrial/Warehouse (Triple Net) Q1-2007</b>
<b>Monthly Rate</b>	<b>\$0.70</b>	<b>\$0.74</b>

**BACKGROUND:**

The OES provides emergency response throughout San Mateo County. Personnel and vehicles must be centrally located to ensure effective response. Valuable equipment recently acquired through Homeland Security grants is currently stored at sites throughout the County, in some cases under less-than-ideal conditions. Adequate warehouse space is available at 1700 Industrial Road to provide clean, secure storage for OES emergency response equipment and supplies.

The VTTF and NTF currently occupy space on Demeter Street in East Palo Alto, as part of the former Sheriff’s Substation. In November of 2006, the Sheriff closed the Demeter Street Substation after negotiating a law enforcement contract with the City, eliminating the need for the facility. Warehouse facilities for the VTTF and NTF at that location remain in operation. At the request of the Sheriff, Real Property Services has negotiated a lease for warehouse facilities that are located in a more centralized location and are convenient to the County Government Center and to police agencies who participate in Task Force activities.

**DISCUSSION:**

Real Property Services has negotiated a Lease of approximately 9,760 square feet at 1700 Industrial Road in San Carlos for a term of five years with one option to extend for an additional five years. The initial monthly rent of \$6,832 is subject to an annual escalation of 3%. At the Sheriff’s request, the Landlord has made improvements to the premises and, upon commencement of the Lease, the Sheriff will make a one-time contribution of \$7,000 towards the improvements.

County Counsel has reviewed and approved the Lease as to form. The Sheriff concurs in this recommendation.

**FISCAL IMPACT:**

The rent of \$81,984 for the initial year of the five-year term plus the one-time cost of \$7,000 for the Sheriff’s contribution to the improvements, for a total of \$88,984, is included in the Sheriff’s proposed budget for Fiscal Year 2007/2008.

cc w/enc: Lee Thompson, Deputy County Counsel  
cc: Greg Munks, Sheriff  
Lee Lazaro, Deputy Director, Sheriff's Office  
John Quinlan, Sergeant, Sheriff's Office  
Mark Wyss, Sergeant, Sheriff's Office