



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: October 1, 2007
BOARD MEETING DATE: October 30, 2007
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Steve Alms, Manager, Real Property Division

SUBJECT: First Amendment to Lease Agreement with HMB Stone Pine, LLC for office space at 80 Stone Pine Road, Half Moon Bay, for use by UC Cooperative Extension (Lease No. 1267).

RECOMMENDATION:

Adopt a resolution:

1. Authorizing the execution of a First Amendment to the Lease Agreement with HMB Stone Pine, LLC of 2,730 square feet of office space at 80 Stone Pine Road, Half Moon Bay, California, which extends the expiration date to June 30, 2012 at an initial monthly rent of \$6,552, and
2. Authorizing the County Manager or his designee to execute notices, options and documents associated with the First Amendment and the Lease including, but not limited to, termination of the agreement under the terms set forth therein.

VISION ALIGNMENT:

Commitment: Responsive, effective and collaborative government

Goal 20: Government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain. This Amendment contributes to this commitment and goal by continuing to provide an affordable and accessible facility in which UC Cooperative Extension can offer its services to the residents and visitors of the County.

PERFORMANCE MEASURES:

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 rental rate for the leased area is \$2.40 per square foot per month, which compares favorably with the Countywide average asking rate of \$2.96.

Measure	Actual	County-wide
Average Asking Rate:	\$2.40 per sq. ft.	\$2.96 per sq. ft.

BACKGROUND:

In 1957 the County and University of California Regents entered a Memorandum of Understanding in which the County agreed to provide facilities and staffing in support of the UC Cooperative Extension Agriculture and Resources program in the County. That agreement is now administered by the Health Department. Since 2003, the County has leased 2,730 square feet of office space at 80 Stone Pine Road, Suite 100 in Half Moon Bay for the program. The current lease expired on June 30, 2007. The County has remained in the premises on a month-to-month basis while the terms of the Amendment were negotiated, including necessary ADA improvements.

DISCUSSION:

Real Property Services has negotiated the First Lease Amendment which retroactively extends the termination date to June 30, 2012 at an initial monthly rent of \$6,552. The County may terminate the Lease at any time after June 30, 2010 by giving Landlord 90 days written notice.

The amendment increases the rent to the market rate, including annual increases of 3%, and the County will pay a proportionate share of any increases in operating expenses.

Improvements needed to bring the facility into compliance with current ADA requirements have been identified in the County's transition plan. As a condition of the amendment, the landlord has agreed to make such improvements at its sole cost within six months of execution of the amendment.

The amendment is otherwise on the same terms and conditions contained in the Lease.

County Counsel has reviewed and approved the Amendment as to form. The Director of the Health Department concurs with this recommendation.

The ADA Compliance Committee has assessed the facility and the Landlord has agreed to make the necessary repairs to the Building. The ADA Compliance Committee will review the plan at its November 2007 meeting.

FISCAL IMPACT:

The initial monthly rent of \$6,552 per month is included in the Health Department FY 2007-08 Adopted Budget.

cc:/enc: Deborah Penny Bennett, Deputy County Counsel
cc: Charlene Silva, Director, Health Department
Arthur Morris, Deputy Director, Health Department