



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



DATE: February 23, 2012
BOARD MEETING DATE: March 13, 2012
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Steve Alms, Manager, Real Property Division

SUBJECT: Amendments to Lease Agreements 1185 and 1262 with Harbor Belmont Associates, a California General Partnership.

RECOMMENDATION:

Adopt a Resolution authorizing the:

1. Execution of a Fifth Amendment to Lease Agreement with Harbor Belmont Associates, a California General Partnership, of office space at 264 Harbor Boulevard, Belmont, California, extending the Term for one year to April 30, 2013 at the current monthly Base Rent of \$38,422.80 and authorizing the County to terminate the Lease on 90 days notice; and a First Amendment to Lease Agreement with Harbor Belmont Associates, a California General Partnership, of office space at 310 Harbor Boulevard, Belmont, California extending the Term for one year to April 30, 2013 at the current monthly Base Rent of \$19,920.00 and authorizing the County to terminate the Lease on 90 days notice; and
2. County Manager or his designee to accept or execute notices, options and documents associated with the amendments and leases including, but not limited to, extension or termination of the leases under the terms set forth therein.

BACKGROUND:

In December 1992, the County and Harbor Belmont Associates, (the "Landlord") entered into a Lease Agreement of office space at 264 Harbor Boulevard in Belmont, for the use of the Human Services Agency, Department of Housing and Housing Authority. The County and Landlord subsequently entered into a series of amendments to the 264 Harbor Boulevard Lease which modified the area of the Premises. The 264 Harbor Boulevard Lease expires on April 30, 2012. The County and Landlord desire to further amend the 264 Harbor Boulevard Lease to extend the Term for one additional year to April 30, 2013 and authorize the County to terminate the Lease on 90 days notice, but otherwise continue at the current Base Rent and under the same terms and conditions.

In November of 2003, the County and Landlord entered into a Lease Agreement of office space at 310 Harbor Boulevard in Belmont, for the use of various programs of the Human Services Agency ("HSA"). The Premises is now occupied by Behavioral Health and

Recovery Services. The 310 Harbor Boulevard Lease expires on April 30, 2012. The County and Landlord desire to amend the 310 Harbor Boulevard Lease to extend the Term for one additional year to April 30, 2013 and authorize the County to terminate the 310 Harbor Boulevard Lease on 90 days notice, but otherwise continue at the current Base Rent and under the same terms and conditions. Each Amendment is subject to and conditioned upon the concurrent execution and approval of the other.

DISCUSSION:

To facilitate relocation to Circle Star Plaza of the units occupying the leased facilities, Real Property Services has negotiated a Fifth Amendment to Lease Agreement which extends the Term the Lease at 264 Harbor Boulevard for one year to April 30, 2013, at the current base rent of \$38,422.80 and authorizes the County to terminate the Lease on 90 days notice. Real Property Services has negotiated a First Amendment to Lease Agreement which extends the Term the Lease at 310 Harbor Boulevard for one year to April 30, 2013, at the current base rent of \$19,920.00 and authorizes the County to terminate the Lease on 90 days notice. There are no changes to the Premises or use of the facilities as a result of the Amendments.

County Counsel has reviewed and approved the Amendments and Resolution as to form. The Directors of Housing and the Human Services Agency concur in this recommendation.

Approval of the Amendments contributes to the Shared Vision 2025 outcome of a Healthy Community by establishing agreements that allow the County of San Mateo to continue to provide essential functions from a centralized location.

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 rental rate for the leased area at 264 Harbor is \$1.80 per square foot per month for office space, which compares favorably with the Countywide average asking rate of \$3.16 per month and the Belmont/San Carlos average asking rate of \$2.51 per month.

Measure	FY 2012-13 Actual	Avg. Asking Rate San Mateo County Q4-2012
Monthly Rate (Office):	\$1.80 and \$1.66	\$3.16

FISCAL IMPACT:

The initial monthly rents of \$38,422.80 and \$19,920.00 per month are included in the adopted FY 2011-12 budgets of the Human Services Agency and Housing Department, respectively.

cc:/enc: Eugene Whitlock, Deputy County Counsel
cc: Beverly Beasley Johnson, Director, Human Services Agency
Duane Bay, Director, Department of Housing

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

*** * * * ***

**RESOLUTION AUTHORIZING THE 1) EXECUTION OF A FIFTH AMENDMENT TO LEASE AGREEMENT WITH HARBOR BELMONT ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, OF OFFICE SPACE AT 264 HARBOR BOULEVARD, BELMONT, CALIFORNIA, EXTENDING THE TERM FOR ONE YEAR TO APRIL 30, 2013 AT THE CURRENT MONTHLY BASE RENT OF \$38,422.80 AND AUTHORIZING THE COUNTY TO TERMINATE THE LEASE ON 90 DAYS NOTICE; AND A FIRST AMENDMENT TO LEASE AGREEMENT WITH HARBOR BELMONT ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, OF OFFICE SPACE AT 310 HARBOR BOULEVARD, BELMONT, CALIFORNIA, EXTENDING THE TERM FOR ONE YEAR TO APRIL 30, 2013 AT THE CURRENT MONTHLY BASE RENT OF \$19,920.00 AND AUTHORIZING THE COUNTY TO TERMINATE THE LEASE ON 90 DAYS NOTICE; AND 2) COUNTY MANAGER OR HIS DESIGNEE TO ACCEPT OR EXECUTE NOTICES, OPTIONS AND DOCUMENTS ASSOCIATED WITH THE AMENDMENTS AND LEASES INCLUDING, BUT NOT LIMITED TO, EXTENSION OR TERMINATION OF THE LEASES UNDER THE TERMS SET FORTH THEREIN.
(LEASE NO. 1185 AND 1262)**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, since 1992, the County has leased from Harbor Belmont Associates (Landlord) office space at 264 Harbor Boulevard, Belmont, California, and

WHEREAS, since 2003, the County has leased from Harbor Belmont Associates (Landlord) office space at 310 Harbor Boulevard, Belmont, California, and

WHEREAS, the Leases expire on April 30, 2012 and County and Landlord wish to amend the agreements to extend the term and provide for termination by the County giving ninety days notice; and

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance a Fifth Amendment to Lease Agreement, reference to which is hereby made for further particulars, which amends and extends the term of the Lease for one year to April 30, 2013, at the current monthly base rent of \$38,422.80 per month and authorizes the County to terminate the Lease on 90 days notice, in accordance with the terms and conditions contained in the Fifth Amendment and the Lease, and there has been presented to this Board of Supervisors for its consideration and acceptance a First Amendment to Lease Agreement, reference to which is hereby made for further particulars, which amends and extends the term of the Lease for one year to April 30, 2013, at the current monthly base rent of \$19,920.00 per month and authorizes the County to terminate the Lease on 90 days notice, in accordance with the terms and conditions contained in the First Amendment and the Lease,

WHEREAS, this Board has been presented with the Fifth Amendment to Lease and the First Amendment to Lease and has examined and approved same as to both form and content and desires to enter into same.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the President of this Board of Supervisors be, and is hereby, authorized and directed to concurrently execute said Fifth Amendment and First Amendment for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto; and

IT IS FURTHER DETERMINED AND ORDERED that the County Manager or his designee is hereby authorized to accept or execute on behalf of the County, any and

all notices, options and documents associated with the Fifth Amendment and Lease and the First Amendment and Lease including, but not limited to, extension or termination of the Lease agreements under the terms set forth therein.

* * * * *

**FIRST AMENDMENT TO LEASE AGREEMENT
No. 1262**

This First Amendment to Lease Agreement ("Amendment"), dated for reference purposes only as of _____, 2012 is by and between HARBOR BELMONT ASSOCIATES, a California General Partnership ("Landlord"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Tenant").

Recitals

A. As authorized by San Mateo County Resolution No. 66410, Landlord and Tenant entered into a lease agreement, dated for reference purposes as of November 1, 2003, for approximately 21170 square feet of rentable space (the "Premises") in that certain building commonly known as 310 Harbor Boulevard, Belmont, California, in the Harbor Business park (Lease No. 1262), hereinafter "Lease").

B. The Lease expires on April 30, 2012.

C. Concurrent with this First Amendment, County and Landlord are amending Lease No. 1185, that certain Lease by and between County and Landlord of a 21,346 square foot portion of that certain building commonly known as 264 Harbor Boulevard, Belmont, California in the Harbor Business Park ("Fifth Amendment To Lease Agreement").

D. This First Amendment is subject to and conditioned upon the concurrent approval and execution by the parties of such Fifth Amendment of Lease No. 1185.

E. Landlord and County wish to amend the Lease to extend the Term under the same terms and conditions and to grant County the right to terminate the Lease as herein set forth.

Agreement

For good and valuable consideration as hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Premises.** Any reference to the Premises or Rentable Area of the Premises notwithstanding, the Premises shall be comprised of approximately 12,000 rentable square feet.
2. **Term.** Any reference to the Initial Term or Expiration Date of the Lease notwithstanding, the Expiration Date of the Lease is hereby amended to April 30, 2013.
3. **Base Rent.** Any references to the Base Rent of the Lease notwithstanding, effective May 1, 2012, the Base Rent shall be \$19,920 per month, which rate shall be in effect through April 30, 2013.

4. **Early Termination.** Any references to the early termination of the Lease notwithstanding, County shall have the right to terminate such Lease, without any penalty, fee or other liability, by giving Landlord not less than ninety (90) days prior written notice (the "Termination Option").
5. **Effective Date; Approval.** This First Amendment shall become effective (the "Effective Date") when the County Board of Supervisors adopts a resolution authorizing the execution of this First Amendment, and the First Amendment is duly executed by the County and the Landlord.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE AMENDMENT, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF COUNTY HAS AUTHORITY TO COMMIT COUNTY HERETO UNLESS AND UNTIL THE COUNTY BOARD OF SUPERVISORS HAS ADOPTED A RESOLUTION AUTHORIZING THE EXECUTION OF THIS FIRST AMENDMENT TO THE AGREEMENT. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF COUNTY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS AMENDMENT SHALL BE NULL AND VOID UNLESS THE BOARD OF SUPERVISORS ADOPTS A RESOLUTION AUTHORIZING THE EXECUTION OF THIS FIRST AMENDMENT. APPROVAL OF THIS AMENDMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF COUNTY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON COUNTY.

6. **Counterparts.** This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
7. **No Further Amendments; Conflicts.** All the terms and conditions of the Lease remain in full force and effect except as expressly amended herein. The Lease as amended by this First Amendment constitutes the entire agreement between Landlord and County regarding the leased premises and may not be modified except by an instrument in writing duly executed by the parties hereto. In the event of any conflict between the terms of the Lease and the terms of this First Amendment, the terms of this First Amendment shall control.

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Landlord and County have executed this First Amendment as of the date first written above.

LANDLORD:

HARBOR BELMONT ASSOCIATES,
a California General Partnership

By: _____

Its: _____

COUNTY:

COUNTY OF SAN MATEO,
a political subdivision of the State of California

By: _____

Adrienne J. Tissier
President, Board of Supervisors

Attest:

Clerk of the Board

Resolution No.: _____

FIFTH AMENDMENT TO LEASE AGREEMENT
Lease No. 1185

This Fifth Amendment to Lease Agreement ("Fifth Amendment"), dated for reference purposes only as of _____, 2012, is by and between HARBOR BELMONT ASSOCIATES, a California General Partnership ("Landlord"), and the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Tenant").

Recitals

A. As authorized by San Mateo County Resolution No. 56751, Landlord and Tenant entered into a lease agreement dated December 8, 1992 of approximately 21,346 square feet of office space in that certain building commonly known as 264 Harbor Boulevard, Belmont, California (the "Building") in the Harbor Business Park ("Lease No. 1185").

B. Lease No. 1185 has been amended as authorized by San Mateo County Resolution No. 65195 adopted April 16, 2002, Resolution No. 65461 adopted July 30, 2002, Resolution No. 66238 adopted September 9, 2003 and Resolution No. 66410 adopted December 16, 2003 (the "Lease As Amended"). The amendments modified the premises to consist of 29,331 square feet, which is the entire Building, modified the Base Rent accordingly, set forth improvements to be completed by Landlord, extended the Term, and provided the County the right to relinquish a portion of the Premises by giving thirty days written notice to the Landlord. The County elected to relinquish 7,985 feet of the premises effective September 30, 2011 leaving the premises at 21,346 square feet.

C. Concurrent with this Fifth Amendment, County and Landlord are amending Lease No. 1262, that certain Lease by and between County and Landlord of a 12,000 square foot portion of that certain building commonly known as 310 Harbor Boulevard, Belmont, California in the Harbor Business Park ("First Amendment To Lease Agreement").

D. This Fifth Amendment is subject to and conditioned upon the concurrent approval and execution by the parties of such First Amendment of Lease No. 1262.

E. County and Landlord wish to further amend Lease No. 1185 as herein set forth.

Agreement

For good and valuable consideration as hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Term.** Any references to the Term, Termination Date or Early Termination in the Lease As Amended notwithstanding, the Expiration Date of the Lease is hereby extended and amended to April 30, 2013. This provision shall apply to the entire Premises, and County shall have no right during the Term to reduce the area of the Premises or terminate the Lease As Amended as to a portion of the Premises by giving notice to Landlord.
2. **Rent.** Any reference to the Base Rent of the Lease As Amended notwithstanding; effective May 1, 2012 (the "Effective Date"), the Base Rent shall be \$38,422.80 per month, which rate shall be in effect through April 30, 2013.
3. **Early Termination.** Any references to the early termination of the Lease notwithstanding, County shall have the right to terminate such Lease, without any penalty, fee or other liability, by giving Landlord not less than ninety (90) days prior written notice (the "Termination Option").
4. **Effective Date; Approval.** Subject to the condition set forth in Section D of the above Recitals, this Fifth Amendment shall become effective (the "Effective Date") when the County Board of Supervisors adopts a resolution authorizing the execution of this Fifth Amendment, and the Fifth Amendment is duly executed by the County and the Landlord.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE AMENDMENT, THE LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF THE COUNTY HAS AUTHORITY TO COMMIT THE COUNTY HERETO UNLESS AND UNTIL THE COUNTY BOARD OF SUPERVISORS HAS ADOPTED A RESOLUTION AUTHORIZING THE EXECUTION OF THIS FIFTH AMENDMENT TO THE AGREEMENT. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF THE COUNTY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS AMENDMENT SHALL BE NULL AND VOID UNLESS THE BOARD OF SUPERVISORS ADOPTS A RESOLUTION AUTHORIZING THE EXECUTION OF THIS FIFTH AMENDMENT. APPROVAL OF THIS AMENDMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF THE COUNTY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON THE COUNTY.

7. **Counterparts.** This Fifth Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
8. **No Further Amendments; Conflicts.** All the terms and conditions of the Lease As Amended remain in full force and effect except as expressly amended herein. The Lease as amended by this Fifth Amendment constitutes the entire agreement between the Landlord and the County regarding the leased premises and may not be modified except by an instrument in writing duly executed by the parties hereto. In the event of any conflict between the terms of the Lease As Amended and the terms of this Fifth Amendment, the terms of this Fifth Amendment shall control.

The Landlord and the County have executed this Lease Fifth Amendment as of the date first written above.

LANDLORD:

HARBOR BELMONT ASSOCIATES,
a California General Partnership

By: _____
Phillip H. Raiser
Agent of JHR TRUST, General Partner

COUNTY:

COUNTY OF SAN MATEO,
a political subdivision of the State of
California

By: _____
Adrienne J. Tissier
President, Board of Supervisors

Attest:

Clerk of the Board

Resolution No.: _____