



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



**Date:** June 11, 2012  
**Board Meeting Date:** July 10, 2012  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Margaret Jensen, Deputy County Manager  
**Subject:** First Amendment to Lease Agreement with Raiser Resources, LLC and Deluna Investments, LLC, (Lease No. 1284)

**RECOMMENDATION:**

Adopt a Resolution authorizing:

A) A First Amendment to Lease Agreement with Raiser Resources, LLC and Deluna Investments, LLC, of approximately 9,760 square feet of warehouse and office space at 1700 Industrial Road, San Carlos, California, extending the Term for two years to June 30, 2014 with one option to extend for an additional year and increasing the Base Rent from \$7,689.48 to \$9,272.00 per month; and

B) The County Manager or his designee to accept or execute notices, options and documents associated with the First Amendment and Lease including, but not limited to, extension or termination of the Lease under the terms set forth therein.

**BACKGROUND:**

In July 2007, the County and Raiser Resources, LLC and Deluna Investments, LLC (the "Landlord") entered into a Lease Agreement of approximately 9,760 square feet of warehouse and office space at 1700 Industrial Road in San Carlos, for the use of Sheriff's office. The Lease expires on June 30, 2012, and the current Monthly Rental rate is \$7,689.48. The Lease contains one option for the County to extend the Term for five additional years, but the Sheriff has opted not to exercise the option. Another warehouse lease expires later this year and the Sheriff desires that both agreements be extended short-term to expire concurrently and allow staff an opportunity to re-evaluate future space needs. The County and Landlord desire to amend the Lease to extend the Term for two additional years, provide the County one option to extend the Term for an additional year and increase the Base Rent, but otherwise under the same terms and conditions.

**DISCUSSION:**

Real Property Services has negotiated a First Amendment to Lease Agreement which extends the Term for two years to June 30, 2014 with one option to extend for an additional year and increases the Base Rent from \$7,689.48 to \$9,272.00 per month. The rent increases annually by 3%. There are no changes to the Premises or use of the facility as a result of this Amendment.

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

Approval of the Amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by establishing an agreement that allows the Sheriff's Office to continue important operations from a centrally located facility.

**PERFORMANCE MEASURE(S):**

Measure	FY 2012-13 Actual	Countywide Avg. Asking Rate
Base Rent	\$0.95	\$1.03

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 \$0.95 per square foot per month, full-service, which is lower than the Countywide average asking rate of \$1.03 square foot per month, full-service equivalent.

**FISCAL IMPACT:**

The initial Base Rent of \$9,272.00 per month is included in the recommended FY 2012-13 budget of the Sheriff's Office.