



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Probation



Date: August 20, 2014
Board Meeting Date: September 30, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Freda Manuel, Real Property Services Manager

Subject: Lease Agreement with Bruce Lovazzano, Jr. and Tina Lovazzano, for office space at 680 Warren Street, Redwood City for use by the County's Probation Department for the Bridges Program.

RECOMMENDATION:

Adopt a Resolution authorizing a Lease Agreement with Bruce Lovazzano, Jr. and Tina Lovazzano for use of 2,966 square feet of office space located at 680 Warren Street, Redwood City, for use by the County's Probation Department for the Bridges Program, for an initial term of five years, at an initial monthly base rent of \$9,491.20.

BACKGROUND:

The County has leased the commercial office building located at 680 Warren Street, Redwood City, Assessor Parcel No. 052-331-010 ("Property") since 1995 for the County's Probation Department's Bridges Program. Since origination, there have been numerous amendments to extend the term, expand the space, adjust the rental rate, account for leasehold and ADA improvements, and acknowledge change in ownership of the Property.

The previous lease expired June 30, 2014 and since that date the County has remained on the premises as a holdover Tenant at a monthly rental rate of \$7,004.

The Probation Department desires to remain at the Property due to its proximity to the County Government Center where many of the Probation staff work and many of their clients receive other services. As a condition of entering into a new lease, the landlord has committed to making various improvements to the Property to comply with various changes to building and ADA regulations and improve the County's ability to provide services to its clients.

DISCUSSION:

Real Property Services has prepared a Lease Agreement dated for reference purposes only as of August 1, 2014 for 2,966 square feet of office space ("Premises") with a non-exclusive right to parking facilities. The duration of the Lease is for a five year term commencing October 1, 2014 with one option to extend the term for an additional five years. The initial monthly base rent will be \$9,491.20, subject to a 3% escalation each year. Within 6 months of lease commencement, Landlord will complete leasehold improvements to the Premises to meet all Title 24, ADA, Life Safety and other building codes, and to ensure that the building systems are adequate to provide quality heating, ventilation and air-conditioning to the Premises.

County Counsel has reviewed and approved the Lease Agreement and Resolution as to form. The Chief Probation Officer concurs in this recommendation.

Approval of this Lease contributes to the Shared Vision 2025 outcome of a Safe Community by allowing the Probation Department to provide essential services to reduce crime and provide rehabilitation services through the Bridges program.

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 initial rental rate for the leased area is \$3.20 per square foot per month, modified gross, which compares favorably with the Redwood City average asking rate of \$3.50 per square foot per month, full service.

Measure	FY 2014-15 Actual	Avg. Asking Rent Redwood City
Monthly Rental Rate:	\$3.20 Modified Gross	\$3.50 Full Service

FISCAL IMPACT:

Annual rent of \$113,894.40 has been budgeted in the Fiscal Year 2014/2015 recommended budget.