



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: March 26, 2015
Board Meeting Date: April 28, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Fourth Amendment to the Lease Agreement with Vista Marin LLC, for a portion of office space at 900 Veterans Boulevard, Redwood City, for use by the County's Health System for administrative functions

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the lease agreement with Vista Marin, LLC, for use of 2,150 square feet of space located at 900 Veterans Boulevard, Redwood City, for use by the County's Health System for administrative functions through October 31, 2015 at a monthly base rent of \$8,600 per month. The County is given an option to extend the term for an additional six months at the then fair market rent.

BACKGROUND:

The County has leased portions of the second and third floors of the commercial office building located at 900 Veterans Boulevard, Redwood City, Assessor Parcel No. 052-372-250 ("Property") since 2007 for administrative uses of the County's Behavioral Health and Recovery Services Division. Since origination, there have been three amendments to extend the term, adjust the rental rate, authorize the County to terminate the Lease on 180 days-notice, and reduce the premises. BHRS has already moved half of its staff previously located at this facility to its other sites. The relocation of the remaining staff will occur after facility renovations are complete at its Shasta, Harbor and Brewster locations. The Third Amendment to the Lease Agreement will expire on April 30, 2015.

DISCUSSION:

Real Property Services has prepared a Fourth Amendment to Lease Agreement dated for reference purposes only as of March 26, 2015 for 2,150 square feet of office space known as Suite 330 ("Premises"). The Lease will be extended to October 31, 2015 at a monthly base rent of \$8,600. The County will also have an option to extend the Term for an additional six months at the then fair market rent.

County Counsel has reviewed and approved the lease agreement and resolution as to form. The Director of the Health System concurs in this recommendation.

Approval of this fourth amendment contributes to the Shared Vision 2025 outcome of a Safe Community by allowing the Health System to provide essential services to protect the public's health.

PERFORMANCE MEASURE(S):

| Measure | FY 2014-15 Actual | Avg. Asking Rent Redwood City |
|----------------------|---------------------|----------------------------------|
| Monthly Rental Rate: | \$4.00 Full Service | \$4.34 Full Service |

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 \$4.00 per square foot per month, which compares favorably with the Redwood City average asking rate of \$4.34 FS per square foot per month.

FISCAL IMPACT:

The monthly rent of \$8,600 has been budgeted in the Fiscal Year 2014-15 recommended budget.