



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: November 5, 2015
Board Meeting Date: November 17, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Lease agreement with Baiata Group LLC for office space at 3252 Middlefield Road, in unincorporated Menlo Park, for use by North Fair Oaks Forward

RECOMMENDATION:

Adopt a resolution authorizing the execution of a lease agreement with Baiata Group LLC for approximately 2,900 square feet of office space at 3252 Middlefield Road, in unincorporated Menlo Park, at a monthly rate of \$4,785 for a term of five years, with two options to extend for five additional years each under the same terms.

BACKGROUND:

In November of 2011, the County of San Mateo adopted the North Fair Oaks Community Plan. The plan is based on extensive public outreach, analysis of community conditions, needs, and goals, and was created with the participation of North Fair Oaks residents and the guidance of a steering committee made up of stakeholders with knowledge and experience in North Fair Oaks. The office space is needed to house an integrated approach to code enforcement, public safety, and community outreach and also to provide a community gathering space that is rooted in the heart of community and easily accessible to the residents. This integrated approach will foster collaboration between departments, residents and partner organizations, deepen relationships, and support the implementation of the North Fair Oaks Community Plan.

DISCUSSION:

Real Property Services has negotiated a lease with the following key terms: a five year lease term, two County options to extend the term for five years each, and a base rent of \$4,785.00 per month triple net. The County is also responsible for paying its pro-rata share of property taxes and insurance expenses, not to exceed \$435.00 per month. In addition, the County is responsible for expenses related to interior maintenance, as well as the cost of all utilities and services required. For efficiency in the implementation and administration of the lease, the County Manager requests authorization for his or her

designee to accept or execute on behalf of the County, the lease agreement upon review and approval by County Counsel and any and all notices, amendments, consents, terminations, and documents associated with the lease agreement.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by maintaining a centrally located facility for the North Fair Oaks Forward team.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Actual	Avg. Asking Rate San Mateo County Q3-2015
Monthly Rate	\$1.65 NNN	\$4.28 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 \$1.65 per square foot per month triple net. The County also pays for its pro-rata share of property taxes and insurance, not to exceed \$435.00 per month. In addition, the County is responsible for variable expenses related to interior maintenance, as well as the cost of all utilities and services required. Nonetheless, the rental rate compares favorably with the reported Countywide average asking rate of \$4.28 per square foot per month full service. A triple net equivalent rate is not available due to varying operating costs that are unique to each property.

FISCAL IMPACT:

The monthly base rent of \$4,785.00 per month is included in the FY 2015-16 budget of the County Manager's Office.