



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: November 8, 2012
Board Meeting Date: December 11, 2012
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Lease with Lebherz Ventures, LLC at 477 9th Avenue in San Mateo for the Women, Infants and Children program (Lease 1298)

RECOMMENDATION:

Adopt a Resolution authorizing a lease with Lebherz Ventures, LLC, of 3,620 square feet of office space located at 477 9th Avenue in San Mateo, for the County Health System's Women, Infants and Children program, for a term of ten years, at an initial monthly base rent of \$7,300.

BACKGROUND:

Since 1995, the County has leased 3,068 square feet of office space at 32 W. 25th Avenue in San Mateo for the Women, Infants and Children program (WIC), which is part of the Family Health Department and provides nutrition and health counseling services for new mothers and young children in the Central County area. The most recent lease expired in 2008, and the County has continued operating in the premises on a month-to-month basis pursuant the holdover provision of the lease. The current monthly rent is \$6,939.94 which increases annually in accordance with the Consumer Price Index.

In 2008, it was determined that WIC needed additional space to serve its growing client base and the building and premises were not accessible to individuals with disabilities. After several attempts to negotiate an extension, the landlord could not provide additional space for the County to expand its services and would not make necessary modifications to the building to make it more accessible to the public.

Real Property Services has been searching for an alternative location for WIC in the Central County, and has recently identified available space at 477 9th Avenue near downtown San Mateo. The space is centrally located near many of WIC's clients and public transportation, provides a quality setting, the space necessary to provide services, and will be accessible to individuals with disabilities.

DISCUSSION:

Real Property Services has negotiated a Lease Agreement with Lebherz Ventures, LLC, whereby the County shall lease 3,620 square feet of office space at 477 9th Ave, Suite 110, in San Mateo, for a term of ten years, which is estimated to commence on March 1, 2013 and will expire on February 28, 2023, with one option to extend the term for an additional five years, at an initial monthly Base Rent of \$7,300, which will increase annually by 3%. The Landlord will make improvements to the premises which will include the construction of an ADA compliant restroom within the suite, several offices, an expanded classroom and new carpet and paint throughout the suite. In addition, the County's Commission on Disabilities performed an ADA assessment and identified certain barriers to accessibility on the property and in the premises. The Landlord has agreed to make necessary modifications to remove the barriers and make the premises accessible to the public.

County Counsel has reviewed and approved the Lease and Resolution as to form. The Chief of the Health system concurs with this recommendation.

Approval of the Lease contributes to the Shared Vision 2025 outcome of a Healthy Community by establishing an agreement that allows WIC to continue to provide nutrition and healthcare services in the Central County area.

PERFORMANCE MEASURE(S):

Real Property Services strives to maintain an average cost of leased facilities that compares favorably with the average rate for comparable facilities in the County. The initial rental rate for the leased area is \$2.02 per square foot per month. This is substantially below the City of San Mateo 3rd Quarter 2012 average asking rates of \$2.84 per square foot per month, full service.

Measure	FY 2012-13 Actual	Avg. Asking Rate City of San Mateo Q3-2012
Monthly cost per square foot:	\$2.02	\$2.84 (full service)

FISCAL IMPACT:

The monthly Base Rent of \$7,300 is included in the adopted FY 2012-13 budget of the Health System.