



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager



**Date:** November 7, 2014  
**Board Meeting Date:** November 18, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Freda Manuel, Real Property Services Manager

**Subject:** Third Amendment to the Lease Agreement with Vista Martin 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 a Third Amendment to the Lease Agreement with Vista Martin 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 April 30, 2015 at a monthly base rent of \$8,600 per month.

**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 two amendments to extend the term, adjust the rental rate, and authorize the County to terminate the Lease on 180 days-notice.

The Second Amendment to the Lease Agreement expired April 30, 2014. On May 1, 2014 the Landlord and County acknowledged and agreed to a holdover tenancy as the Mental Health Division prepares to relocate due to the market rate adjustment of rent.

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**DISCUSSION:**

Real Property Services has prepared a Third Amendment to Lease Agreement dated for reference purposes only as of November 18, 2014 for 2,150 square feet of office space known as Suite 330 ("Premises"). The County will surrender its remaining leasehold interest in Suite 210 on December 10, 2014. The reduction in square footage reduces the County's percentage share of operating expenses to 3.9%. The Lease will be extended to April 30, 2015 at a monthly base rent of \$8,600.

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 Third Amendment contributes to the Shared Vision 2025 outcome of a Healthy 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:	\$3.98 Full Service	\$4.23 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 \$3.98 per square foot per month, which compares favorably with the Redwood City average asking rate of \$4.23FS per square foot per month

**FISCAL IMPACT:**

The remaining rental payment of \$36,407 has been budgeted in the Fiscal Year 2014-15 recommended budget.