



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: May 7, 2015
Board Meeting Date: June 16, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Amendment and assignment of Lease Agreement with HMB Stone Pine, LLC, and the Regents of the University of California, for office space at 80 Stone Pine Road, Half Moon Bay, for use by University of California Cooperative Extension (Lease No. 1267).

RECOMMENDATION:

Adopt a resolution authorizing an amendment and assignment of Lease Agreement with HMB Stone Pine, LLC and the Regents of the University of California for office space at 80 Stone Pine Road in Half Moon Bay, that extends the expiration date to December 31, 2015 at a monthly base rent of \$6,606.00 and assigns the lease to the Regents of the University of California.

BACKGROUND:

In 1957 the County and the Regents of the University of California (Regents) entered a Memorandum of Understanding in which the County agreed to provide facilities and staffing in support of the UC Cooperative Extension Agriculture and Resources program in the County (the Program). That agreement is now administered by the Health Department. On June 8, 2004, as authorized by Resolution No. 66676, the County and HMB Stone Pine ("Landlord") entered into a lease of 2,730 square feet of office space at 80 Stone Pine Road, Suite 100 in Half Moon Bay for the Program. The lease included an early termination right that enabled the County to terminate on ninety days' notice at any time after March 31, 2005. As authorized by Resolution No. 69079 passed on October 30, 2007, County and Landlord entered into a First Amendment to Lease Agreement which extended the term to June 30, 2012, modified the base rent, changed the early termination date to June 30, 2010, and set forth ADA improvements to be completed by Landlord. As authorized by Resolution No. 70940 passed on July 27, 2010, County and Landlord entered into a Second amendment to Lease Agreement which extended the term, reduced the base rent, eliminated the early termination right, and made other changes.

DISCUSSION:

The current lease expires June 30, 2015. To afford the Regents time to prepare for the relocation, the County, Landlord and Regents desire to amend the Lease. The Third Amendment and Assignment to Lease Agreement extends the term of the Lease to December 31, 2015; increases the base rent by 3% to \$6,606.00 per month; and assigns the County's right, title and interest as Tenant to the Regents of the University of California.

County Counsel has reviewed and approved the Third Amendment and Assignment to the Lease Agreement and resolution as to form. The Director of Public Health Programs concurs in this recommendation.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by continuing to provide an affordable and accessible facility in which UC Cooperative Extension can offer its services to the residents and visitors of the County.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Actual	Avg. Asking Rate San Mateo County Q1-2015
Monthly Rate:	\$2.42	\$3.98

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 \$2.42 per square foot per month, which compares favorably with the Countywide average asking rate of \$3.98 per square foot per month.

FISCAL IMPACT:

There is no impact to the General Fund. The Regents of the University of California will pay the 6 month rental amount of \$39,636.