



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: June 1, 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 to lease agreement with 1700 Industrial, LLC, and DeLuna Investments, LLC, for use by the Sheriff's Office of office and warehouse space located at 1700 Industrial Road, San Carlos. (No. 1284)

RECOMMENDATION:

Adopt a resolution authorizing an amendment to Lease No. 1284 with 1700 Industrial, LLC, and DeLuna Investments, LLC, for 9,760 square feet of office and warehouse space located at 1700 Industrial Road, San Carlos, extending the term to December 31, 2015, with a 30-day termination option

BACKGROUND:

In 2007, pursuant to Resolution No. 68822 the County entered a lease agreement with the Landlord for use of 9,760 square feet of office and warehouse space for a term of five years. The County subsequently entered into the First Amendment to Lease Agreement in 2012 to extend the term to June 30, 2014 at a monthly base rent of \$9,272 with a one year extension option.

DISCUSSION:

The current lease expires on June 30, 2015. The Sheriff's Office is currently searching for a larger warehouse space to consolidate several divisions (Office of Emergency Services, Emergency Services Bureau, Bomb/SWAT, Vehicle Theft Task Force, Narcotics Task Force, and Property & Evidence Unit) into one central location for logistical purposes. A larger warehouse will also allow the Sheriff's Office to store vehicles inside for security purposes and to protect from the elements. To afford the Sheriff's Office time to relocate, the County and Landlord desire to amend the lease. The second amendment to the lease agreement extends the term of the lease to December 31, 2015, and provides the County with a right to terminate the lease upon 30 days written notice. The monthly base rent remains constant at \$9,836.50.

County Counsel has reviewed and approved the lease and resolution as to form. The Sheriff concurs with this recommendation.

Approval of the lease contributes to the Shared Vision 2025 outcome of a Livable Community by establishing an agreement that allows the County of San Mateo to provide uninterrupted essential functions to the community.

PERFORMANCE MEASURE(S):

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 \$1.01 per square foot per month. This is below the Belmont/San Carlos average asking rate of \$1.05 per square foot per month, triple net rate.

Measure	FY 2015-16 Actual	Avg. Asking Rate Q1-2015
Monthly cost per square foot:	\$1.01	\$1.05 (triple net)

FISCAL IMPACT:

The total rent payable pursuant to the second amendment of \$59,019 has been budgeted in the Fiscal Year 2015-16 recommended budget.