



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



**Date:** August 6, 2015

**Board Meeting Date:** September 22, 2015

**Special Notice / Hearing:** None

**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John L. Maltbie, County Manager

**Subject:** Lease Agreement with Harbor Belmont Associates for office space at 260 Harbor Boulevard, Belmont, for use by the County's Department of Public Works for County administrative functions (Lease No. 1318).

**RECOMMENDATION:**

Adopt a resolution authorizing the President of the Board to execute a lease agreement with Harbor Belmont Associates for 8,526 square feet of office space located at 260 Harbor Boulevard, in unincorporated Belmont, at an initial monthly base rent of \$19,183.50 for a term of five years, with two options to extend for an additional three years each at 95% of the then fair market rental rate.

**BACKGROUND:**

The Department of Public Works desires to enter into a lease for use by the Department of Public Works as transitional swing space for County employees, as they reallocate and update the County's existing facilities according to the 2011 Facility Master Plan. This lease would provide turn-key office space for up to 90 staff members in a location centrally located to County operations.

**DISCUSSION:**

Real Property Services has negotiated a Lease of 8,526 square feet of office space at 260 Harbor Blvd, Building A, in unincorporated Belmont, for a term of five years with two options to extend for an additional three years each, at an initial monthly base rent of \$19,183.50, which will increase annually by 3% during the five year term. The Landlord will make all necessary ADA improvements within 180 days of the Commencement Date, paint the entire premises and clean the carpets at no cost to the County. For efficiency in the implementation and administration of the lease, the County Manager requests authorization for him or his designee to accept or execute on behalf of the County, any and all notices, amendments, consents, terminations, and documents associated with the lease agreement.

County Counsel has reviewed and approved the lease and resolution as to form. The Director of Public Works concurs with this recommendation.

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

**PERFORMANCE MEASURE(S):**

Measure	FY 2015-16 Actual	Avg. Asking Rate in Belmont/San Carlos Q2-2015
Monthly cost per square foot:	\$2.25 (full service)	\$3.20 (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 negotiated lease rate of \$2.25 per square foot per month compares favorably with the average asking rate in the Belmont/San Carlos area of \$3.20 per square foot for office space.

**FISCAL IMPACT:**

The initial monthly rent of \$19,183.50 has been budgeted in the Fiscal Year 2015-16 Adopted Budget.