

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION AUTHORIZING: A) THE COUNTY MANAGER OR COUNTY MANAGER'S DESIGNEE TO EXECUTE A LEASE AGREEMENT AND SUBLEASE AGREEMENT WITH THE TOWN OF ATHERTON BY WHICH THE COUNTY WOULD MAKE A ONE-TIME LEASE PAYMENT TO THE TOWN IN THE AMOUNT OF \$1,350,000, WHICH THE TOWN OF ATHERTON WOULD REPAY UNDER A SUBLEASE WITH INTEREST AT A RATE OF 2% PER ANNUM OVER A TERM OF FIVE YEARS; AND**  
**B) THE COUNTY MANAGER OR COUNTY MANAGER'S DESIGNEE TO EXECUTE, ON BEHALF OF THE COUNTY OF SAN MATEO, ALL NOTICES, OPTIONS, CONSENTS, APPROVALS, TERMINATIONS, AND DOCUMENTS ASSOCIATED WITH THE LEASE AGREEMENT AND SUBLEASE AGREEMENT**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, on November 10, 2020, this Board adopted Resolution No. 20-865 authorizing the County's execution of a Memorandum of Understanding with the San Mateo County Flood and Sea Level Rise Resiliency District, the City of Redwood City, the City of Menlo Park, and the Town of Atherton (the "Bayfront MOU") with respect to construction and operation of the Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project (the "Bayfront Project") for up to \$7,455,000; and,

**WHEREAS**, the Bayfront Project consists of a series of projects that provide flood protection and other benefits to the region and entails completing design, securing all permits and property rights, completing construction and conducting operations and maintenance of new facilities, and monitoring, maintaining, and reporting on mitigation actions required by environmental regulatory permits; and,

**WHEREAS**, the Bayfront MOU requires monetary payments from each of the parties to finance the Bayfront Project; and,

**WHEREAS**, the Town of Atherton (the "Town") has requested that the County make funds available to finance the amount of Atherton's required monetary contribution to the Bayfront Project, which totals \$1,350,000; and,

**WHEREAS**, pursuant to State law, the County may provide financial assistance to Atherton under the terms and conditions of a lease/leaseback agreement in the amount of its monetary contribution to the Bayfront Project, while securing repayment to the County with interest; and,

**WHEREAS**, pursuant to the Lease/Leaseback MOU authorized by this Board under Resolution 077197, the County and the Town have completed negotiations for a lease transaction in which the County would provide funds to the Town for its \$1,350,000 monetary contribution to the Bayfront Project; and,

**WHEREAS**, Lease and Sublease Agreements (the "Agreements") have been presented to this Board for approval whereby, under the Lease, the Town will lease certain designated property located at Holbrook-Palmer Park, 150 Watkins Avenue, Atherton, CA 94027, to the County for which the County will be obligated to make a one-time up-front lease payment to the Town in an amount not to exceed \$1,350,000, and under the Sublease the Town will sublease the property back from the County with annual rental payments due over a lease term of five years, at a fixed interest rate of two percent per annum; and,

**WHEREAS**, following execution of the Agreements, the County will place funds received from the Town into the County's One-Time Expense Fund (formerly the

Accumulative Capital Outlay Fund) where such monies may be used in connection with future lease/leaseback transactions pursuant to County Ordinance Code § 2.80.060 *et seq.* (ordinance adopted December 3, 2019).

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that:

- A. The County Manager or County Manager's designee is hereby authorized to execute a Lease Agreement and Sublease Agreement with the Town of Atherton by which the County would make a one-time lease payment to the Town in the amount of \$1,350,000, which the Town of Atherton would repay under a sublease with interest at a rate of 2% per annum over a term of five years; and
- B. The County Manager or County Manager's designee is hereby authorized to execute, on behalf of the County of San Mateo, all notices, options, consents, approvals, terminations, and documents associated with the Lease Agreement and Sublease Agreement.

**BE IT FURTHER RESOLVED** that the County Manager or designee is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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