County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER
File #: 21-051

Board Meeting Date: 1/12/2021

Special Notice/Hearing: None
Vote Required: 4/5 Vote

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: Revised and Restated Ground Lease with DTRS Half Moon Bay LLC for the leasing of a portion of County-owned land for the Ritz Carlton Parking (Lease No. 5296)

RECOMMENDATIONS:

Adopt a resolution authorizing:

A) The President of the Board of Supervisors to execute the Revised and Restated Ground Lease with DTRS Half Moon Bay LLC, for the 2,650 square foot unimproved land adjacent to Miramontes Point Road, also known as Assessor Parcel Number 066-082-040, for the continued term through November 30, 2025, at an initial monthly Base Rent of $671.39, with annual 3% increases; and

B) The County Manager, or designee, to accept or execute notices, options and documents associated with the Agreement including, but not limited to, extension or termination of the agreement under the terms set forth therein.

BACKGROUND:

DTRS Half Moon Bay LLC ("Tenant") operates the Ritz-Carlton Hotel in Half Moon Bay. To provide adequate parking for hotel staff, Tenant leases a parking lot on Miramontes Point Road, which is only accessible by crossing an adjacent County owned parcel. Tenant and its previous owners have leased this 2,650 square foot portion of the parcel ("Premises") since 2003.

DISCUSSION:

Real Property Services has negotiated an agreement for a term through November 30, 2025, at a monthly Base Rent of $671.39, with annual 3% increases. The Lease stipulates a one-time processing fee of $1,500.00. County Counsel has reviewed and approved the Ground Lease as to form. The Director of Housing concurs in this recommendation.

FISCAL IMPACT:

The monthly Base Rent, totaling approximately $40,280 for the 5-year term, will be sent or deposited

into the Department of Housing's HCD (Housing and Community Development) Facilities Account. There is no impact to the General Fund.