



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-211

Board Meeting Date: 3/26/2024

Special Notice/Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Executive
Subject: Lease Agreement with KN Properties, LLC, for 235 Main Street, Half Moon Bay (Lease No. 1346)

RECOMMENDATIONS:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Lease Agreement with KN Properties, LLC, to allow the Sheriff's Office occupancy of an approximately 2,400 square foot space, known as 235 Main Street, Half Moon Bay, for an initial term of five years, commencing May 1, 2024, at an initial gross monthly Base Rent of \$6,240 (\$2.60 per square foot), with annual 3% increases, with one additional five-year option to extend; and
- B) The County Executive, or their 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:

The Sheriff's Office leases locations for general Sheriff's Office activities throughout the County. The Board has permitted the Sheriff's Office use of additional leased sites for Sheriff's community programs to be administered by the Sheriff's Activity League to County residents. The purpose of the proposed new 235 Main Street in Half Moon Bay lease is to serve as a site for the Sheriff's Activity League within the Coastal area.

DISCUSSION:

Real Property Services has negotiated the Lease for a term of 5-years, with one option to extend the term for an additional 5-years. The monthly base rental amount has been negotiated to Six Thousand Two Hundred Forty Dollars (\$6,240) per month gross, (\$2.60 per sq. ft), with annual 3% increases through the end of the term. The Base Rent includes all taxes, insurance, and common area maintenance of the Premises. County is responsible to pay for gas, electric, security, janitorial, phone

and data services.

Cost of Lease Assessment	Lease Base Rent 235 Main St. Half Moon Bay	Current Comparable Avg. Base Rent Half Moon Bay
Monthly Rental Rate:	\$2.60 Gross	\$2.91 NNN & Modified Gross

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 \$2.91 per square foot per month< gross, which compares favorably with the published average asking rates for Class B/C office space in Half Moon Bay of \$2.91 per square foot per month NNN & Modified Gross.

Sea Level Rise Impact evaluation has been conducted in accordance with the 2019 San Mateo County Sea Level Rise Policy for County-Owned Assets that requires evaluation of sea level rise risk at least 50 years beyond the date of acquisition. Based on a review of inundation and erosion maps, this property is not vulnerable to 3.3 feet of sea level rise or to 6.6 feet of sea level rise and a 100-year storm event.

EQUITY IMPACT:

The County of San Mateo is dedicated to ensuring equitable access to quality services for all residents. The County acquires and leases real property to ensure all residents can access services in the locations and facilities best suited to their specific purposes and location. This acquisition will further the County's ability to ensure that critical services for residents can continue to be met.

FISCAL IMPACT:

The funds set forth herein are included in the Sheriff's Office Fiscal 2023-2024 Budget.