



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-243

Board Meeting Date: 4/9/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Executive
Subject: Third Amendment to Lease Agreement with GLC Belmont LLC, as successor in interest to Harbor Belmont Associates, for the County's leasing of 400 Harbor Boulevard, in unincorporated Belmont (Lease No. 1286)

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a third amendment to lease agreement with GLC Belmont LLC, as successor in interest to Harbor Belmont Associates (Lease No. 1286) for the County's leasing of 400 Harbor Boulevard, in unincorporated Belmont; and
- B) The County Executive, or their designee, to accept or execute on behalf of the County of San Mateo any and all notices, options, consents, approvals, terminations, and documents in connection with the lease agreement.

BACKGROUND:

Since 1988, the County has leased for the use of the Human Services Agency (HSA) most of Buildings B and C of the Harbor Business Park complex, located at 400 Harbor Boulevard, in unincorporated Belmont. Building B consists of approximately 31,625 square feet of space and Building C consists of approximately 27,590 square feet of space. HSA's administrative headquarters are located at the Harbor Business Park and direct client services are provided there.

On March 3, 2009 the County of San Mateo, as authorized by Resolution No. 069940, entered into a ten-year lease agreement with two options to extend the lease for additional five-year terms at 95 percent of the then-prevailing market rate.

On October 30, 2018 the County exercised its option to extend the term of the lease for an additional five years, commencing March 1, 2019.

On February 26, 2019 as authorized by Resolution No. 076442, the County entered into a Second

Amendment to Lease Agreement, converting the lease to a “triple net” lease, whereby the tenant bears a greater share of operating costs in exchange for a lower base rent, as of the commencement of the extended term of the Lease.

The County now wishes to amend the lease to further extend the term of the lease.

DISCUSSION:

Real Property Services has negotiated an amendment to the lease extending the term of the lease through February 28, 2025 with respect to Building C, and through February 28, 2026 with respect to Building B.

Effective March 1, 2024 the monthly base rent shall be \$207,252.50 or \$3.50 per square foot, for the 59,215 square feet of both Buildings B and C.

Effective March 1, 2025 the monthly base rent shall be \$114,166.25 or \$3.61 per square foot, for the 27,590 square feet of Building B only.

County Attorney has reviewed and approved the Third Amendment to Lease Agreement as to form. The Director of the Human Services Agency concurs in this recommendation.

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. This amendment will further the County’s ability to ensure that critical services for residents can continue to be met.

FISCAL IMPACT:

The monthly base rent of \$207,252.50 and estimated annual operating expenses have been budgeted in the Fiscal Year 2023-24 Adopted Budget and the Fiscal Year 2024-25 Recommended Budget.