



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-431

Board Meeting Date: 6/11/2024

Special Notice / Hearing: Publication (3 Weeks)

Vote Required: 4/5ths

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive

Subject: Purchase and Sale Agreement for County Acquisition of 1500 & 1510 Fashion Island Blvd., City of San Mateo

RECOMMENDATION:

Recommendation to:

A) Adopt a resolution:

1. Declaring the Board of Supervisors' intent to purchase the real property described as 1500 & 1510 Fashion Island Boulevard, located within the City of San Mateo, San Mateo County Assessor's Parcel Number 035-550-040, ("Property"), for the total purchase price of \$42,000,000; and
2. Authorizing the President of the Board of Supervisors to execute a Real Estate Purchase and Sale Agreement ("Agreement") with the owners of the Property, RREF II Bridgepointe, LLC ("Sellers"), for the County's acquisition of the Property; and
3. Authorizing the County Executive, or their designee, to execute a Certificate of Acceptance upon satisfaction of certain conditions in escrow, to be recorded with the Grant Deed transferring title to the Property to the County, as well as any and all notices, escrow instructions, and documents required to facilitate the purposes of the Agreement; and

B) Approve the following Appropriation Transfer Requests:

1. Recognizing unanticipated trust fund revenue in the amount of \$10,826,856, transferring \$11,130,791 from Human Services Agency Departmental Reserves, and recognizing corresponding expenditures of \$21,957,647 in Misc. Other Contributions as a lump-sum payment for the Agency's cost share of the acquisition of the Property; and

2. Recognizing \$21,957,647 in unanticipated revenue from the Human Services Agency and corresponding expenditures in Non-Departmental Services Fixed Assets to partially fund the acquisition of the Property.

BACKGROUND:

The Property, an executive office park, commonly known as the Bridgepointe Office Park, is comprised of a parcel of approximately six acres and two three-story office buildings totaling a gross interior area of 132,210 square feet, built in 1982 and is located at the southeast corner of the intersection of Fashion Island Boulevard and Mariners Island Boulevard, within the City of San Mateo.

DISCUSSION:

The County has determined the Property would provide needed administrative, executive, and professional offices for County programs.

The Sellers have executed a Purchase and Sale Agreement proposed by the County Executive for the purchase price of \$42,000,000 which is consistent with the appraised value of the Property. Upon completion of the County’s investigation of the Property and satisfaction of all conditions (“Due Diligence Period”) the transaction close would occur on July 31, 2024, or upon a mutually agreed upon extension close of escrow date.

Acquisition of this Property was evaluated for sea level rise impacts in accordance with the San Mateo County Sea Level Rise Policy for County Assets that requires evaluation of sea level rise risk at least 50 years beyond the date of acquisition. Based on a review of inundation maps, this property may be at risk of flooding with 3.3 feet of sea level rise and a 100-year storm event. Future development of this property should include a sea level rise risk assessment and adaptation plan.

Notices pursuant to California Government Code section 25350 of the intention of the Board of Supervisors to make this purchase were published in compliance with Government Code section 6063, including a description of the property to be purchased, the price, the vendor, and a statement of the time this Board would meet to adopt this Resolution and consummate the purchase, and inviting interested persons to attend and be heard on the subject.

A portion of the purchase price for the acquisition of the Property will be funded by the transfer of \$21,957,647 from the Human Services Agency to Non-Departmental Fixed Assets. The County Executive and the County Controller have approved the ATRs submitted with this memorandum to accomplish the transfer.

EQUITY IMPACT:

The County is dedicated to providing critical access to services for vulnerable individuals. It is anticipated the acquisition of the Property would further enable the County to administer said essential services by increasing County office facility capacity.

FISCAL IMPACT:

The purchase price including closing costs has been appropriated within the FY 2024-2025 budget and will be paid with General Fund. As noted, a portion of the purchase price for the acquisition of the Property will be funded by the transfer of \$21,957,647 from the Human Services Agency to Non-Departmental Fixed Assets.