



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 16-757

Board Meeting Date: 11/21/2017

Special Notice / Hearing: Once a Week for Three Weeks

Vote Required: 4/5th

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Conveyance of real property located at 306 Spruce Avenue/472 Grand Avenue and 468 Miller Avenue in the City of South San Francisco from the Successor Agency to the former City of South San Francisco Redevelopment Agency to the County

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The acceptance of San Mateo County Assessor's Parcel Numbers 012-302-140 and 012-301-020, also known as 306 Spruce Avenue/472 Grand Avenue and 468 Miller Avenue in the City of South San Francisco from the Successor Agency to the former City of South San Francisco Redevelopment Agency at no cost; and
- B) The County Manager, or his designee, to execute any and all notices, amendments, consents, approvals, deeds, certificates of acceptance and documents in connection with the transfer as needed to comply with the intent of the Resolution

BACKGROUND:

In accordance with state law, the Successor Agency ("Successor Agency") to the former City of South San Francisco Redevelopment Agency ("Agency") developed and adopted a Long Range Property Management Plan ("LRPMP") to address the disposition and use of real property formerly owned by the Agency. The LRPMP, which was adopted by the Successor Agency on May 21, 2015, conveys the real property located at 306 Spruce Avenue/472 Grand Avenue and 468 Miller Avenue in the City of South San Francisco ("Properties") to the County at no cost.

306 Spruce Avenue/472 Grand Avenue is a 14,000 square foot parcel improved with an approximately 12,000 square foot medical office building ("Building"). 468 Miller Avenue is an undeveloped 7,000 square foot parcel which provides approximately 18 off-street parking stalls to occupants of the Building. Currently, the County leases approximately 5,000 square feet of medical office space on the second floor of the Building to operate the South San Francisco Clinic ("Clinic"). The Clinic provides various services including primary care for adults and children, family planning, women's health, optometry, podiatry, sexually transmitted disease screening and therapy, and

healthcare for HIV patients. The County's lease expired by its own terms on October 31, 2016, and the Clinic currently occupies the leased premises on a month-to-month basis.

Additionally, Sitike Counseling Center, a non-profit and partner of the San Mateo County Health System ("Health System"), leases approximately 5,000 square feet of medical office space on the first floor of the Building and provides mental health and violence prevention services to County residents. Due to an overlap in clientele served, Sitike's services augment the Health System's efforts in Northern County. Sitike currently occupies their leased premises on a month-to-month basis as well.

Pursuant to the Quitclaim Deeds executed by the Successor Agency on November 3, 2016, upon transfer of the Properties to the County, Properties "may be used only for a governmental purpose". Should the County use the Properties for any other purpose, the City may revoke Title.

DISCUSSION:

In preparation of the Properties being transferred to the County, Real Property Services had a Property Condition Assessment, property boundary survey, CASp inspection, Phase 1 Environmental Site Assessment, and appraisal prepared. Further, Real Property Services worked with the Department of Public Works to identify deficiencies in the Building and building systems in order to develop cost estimates for necessary upgrades and renovations. Due to the poor condition of the Building, it is estimated that there are approximately \$550,000 worth of improvements needed to bring the Building to a suitable condition. These improvements include replacing the flooring in the stairwell and bathrooms; replacing the roof; upgrading the aging electrical, plumbing, and HVAC systems; patching walls and ceilings; and accessibility enhancements.

The property boundary survey, prepared by the County's surveyor, identified no encroachments onto the Properties. A detailed review of the Title Report found no matters of concern. Additionally, the Phase 1 Environmental Site Assessment found no Recognized Environmental Conditions.

It is the intent of the Health System to eventually relocate the Clinic to the conceptualized South San Francisco Health Center, which is to be built on Mission Road in the City of South San Francisco. It is anticipated that at that time the County and City will assess the feasibility of developing the Properties into affordable housing.

The Chief of the Health System concurs with this recommendation. County Counsel has approved the Resolution as to form. The action has no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Thus, no environmental review is necessary for the proposed action since it will have neither a direct nor a foreseeably indirect physical change in the environment.

Approval of this item contributes to the Shared Vision outcome of a Health Community by ensuring clinical services are provided to residents of North County in the most cost-effective manner.

FISCAL IMPACT:

The Department of Public Works has estimated that year one services charges for the Properties will be \$112,462 which has been budgeted for in the Adopted FY 2017-18 budget.