



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER

**File #:** 19-084

Board Meeting Date: 1/29/2019

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Michael P. Callagy, County Manager  
**Subject:** Amendment to Lease Agreement with Harbor Belmont Associates, for warehouse space at 330 Harbor Boulevard, in unincorporated Belmont, for use by Aging & Adult Services (Lease No. 1296)

### **RECOMMENDATION:**

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute an amendment to the lease agreement with Harbor Belmont Associates for the continued use of 11,674 square feet of warehouse space located at 330 Harbor Boulevard, in unincorporated Belmont, by Aging & Adult Services through February 28, 2022 at an initial base rent of \$12,257.70 per month; and
- B) The County Manager, or his 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 2012, the Aging & Adult Services programs have occupied 11,674 square feet of warehouse space at 330 Harbor Boulevard, in unincorporated Belmont for the storage of clients' personal property until it is auctioned for funds to pay for personal care or dispersed to appropriate heirs/beneficiaries. The current lease is scheduled to expire on February 28, 2019, and the County and Harbor Belmont Associates desire to extend the term.

### **DISCUSSION:**

Real Property Services has negotiated a three-year extension with Harbor Belmont Associates and prepared a First Amendment to Lease Agreement. The Lease will be extended to February 28, 2022 at an initial base rent of \$12,257.70 per month starting on March 1, 2019 and increasing 3% annually thereafter.

County Counsel has reviewed and approved the lease agreement and resolution as to form. The Chief of the Health System concurs in this recommendation.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by continually providing a central location for the Aging & Adult Services programs to safely and securely store conserved and deceased clients' personal property.

**PERFORMANCE MEASURE:**

Measure	FY 2018-19 Actual	Avg. Asking Rent Belmont/San Carlos Q3- 2018
Monthly Rental Rate:	\$1.05 NNN	\$1.73 NNN

NNN refers to triple net lease, where tenant is responsible for paying ongoing expenses to the property in addition to rent and utilities. 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 \$1.05 NNN per square foot per month, which compares favorably with the Belmont/San Carlos average asking rate for industrial space of \$1.73 NNN per square foot per month.

**FISCAL IMPACT:**

The initial rent of \$12,257.70 per month is included in the adopted FY 2018-19 budget of the Health System.