



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-907

Board Meeting Date: 9/24/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P Callagy, County Manager

Subject: Lease Agreement with 400 Convention Way, LLC, for office space occupied by Assessor Property Assessment System (APAS) at 400 Convention Way, Redwood City (Lease 1331)

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a lease agreement with 400 Convention Way, LLC, for 8,676 square feet of office space at 400 Convention Way, Redwood City, California, for an initial term of three years, with four options to extend for one year each, at an initial monthly Base Rent of \$30,366.00; 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 associated with the lease agreement.

BACKGROUND:

The APAS project team was initially located in the Elections Phone Bank (which was only available through November 2019 due to the Presidential Primary and General Election) at 40 Tower Road which required minimal modifications and allowed the APAS project to be launched in January of 2019. At that time, the Tower Road remodel project was expected to be completed by November of 2019 and would have provided space for the APAS team for the next 2 1/2 to 3 years. However, the Tower Road remodel was postponed to a future undetermined date.

Hence, the need for an APAS project team satellite office near County Center. To accommodate the required relocation of the APAS project team, Real Property Services was able to secure a cost-effective facility at 400 Convention Way, Redwood City. This location is within walking distance of County Center and will create significant efficiencies by having the Assessor business users and the APAS IT project teams in the same location.

DISCUSSION:

Real Property Services prepared a three-year Lease Agreement with four options to extend the term for one-year each, at an initial monthly base rent of \$30,366.00, which will increase annually by three percent during the term. The Lease is considered a “Full Service Lease,” meaning rent includes all taxes, insurance, maintenance, and utilities servicing the premises. Security, janitorial, phone and data services are paid for by County.

County Counsel has reviewed and approved the lease agreement as to form. The Assessor-County Clerk-Recorder & Chief Elections Officer concurs in this recommendation.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by enabling the Assessor-County Clerk-Recorder and Chief Elections Officer to implement the APAS System.

PERFORMANCE MEASURE(S):

Measure	FY 2019-20 Actual	Avg. Asking Rate Redwood City Q4-2019
Monthly Rate:	\$3.50 FS	\$6.30 FS

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 various areas of the County. The rental rate for the leased area is \$3.50 per square foot per month, which compares favorably with the Redwood City average asking rate of \$6.30 per square foot per month in Q2 of 2019. This average is impacted by the presence of high-class office space with limited vacancy in the Redwood City market.

FISCAL IMPACT:

The rent of \$30,366.00 per month is included in the Fiscal Year 2019-20 budget of the Assessor-County Clerk-Recorder-Elections.