



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-1276

Board Meeting Date: 1/14/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Don Grady, Real Property Manager

Subject: Lease Agreement with East Bayshore Investment Group et al. for Office of Sustainability Warehouse and Office Space at 1757 E. Bayshore Road, in Redwood City (Lease No. 1333).

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board to execute a Lease Agreement with East Bayshore Investment Group et al., for 1,256 square feet of warehouse and office space, located at 1757 E. Bayshore Road, Redwood City, California, for an initial term of three years, with two options to extend for two years each, at an initial monthly Base Rent of \$2,072.00 plus common area operating expenses; and
- B) The County Manager or the County Manager's designee, to accept or execute on behalf of the County, any and all notices, options and documents associated with the lease including, but not limited to, extension or termination of the lease under the terms set forth therein. (Lease No. 1333).

BACKGROUND:

The County has been leasing 5,080 square feet of warehouse space at 961 Bing Street, in San Carlos, since 2005. The warehouse is currently shared by Surplus Property and Office of Sustainability for Surplus Property storage, Office of Sustainability program storage, and Office of Sustainability volunteer engagement activities.

DISCUSSION:

Real Property has negotiated a Lease Agreement with East Bayshore Investment Group for 1,256 square feet of warehouse and office space for a term of three years, with two option to extend for an additional two years each. The initial rate of \$2,072.00 per month is based on \$1.65 per square foot per month. The rent will be subject to an annual increase of 3%. The Lease Agreement includes a separate provision for the tenant's share of common area operating expenses, currently estimated at

\$432.73 per month.

County Counsel has reviewed and approved the agreement and resolution as to form.

PERFORMANCE MEASURE(S):

| Measure | FY 2019-20 Actual | Avg. Asking Rate Redwood City Q4-2019 |
|----------------|--------------------------|--|
| Monthly Rate: | \$1.65 | \$3.17 |

* 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 \$1.65 per square foot per month, which compares favorably with the Redwood City average asking rate of \$3.17 per square foot per month in Q3 of 2019.

FISCAL IMPACT:

There is no new Net County Cost associated with this lease agreement. The monthly base rent of \$2,072.40 and estimated annual operating expenses have been budgeted in the FY 2019-20 Adopted Budget.