



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-549

Board Meeting Date: 7/21/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: Second Amendment to License Agreement with Arch Light LLC for space at 1320 Marshall Street in Redwood City for use by the County of San Mateo's Information Services Department (License No. 1308)

RECOMMENDATION:

Adopt a resolution authorizing the President of the Board of Supervisors to execute a Second Amendment to the License Agreement with Arch Light LLC, at 1320 Marshall Street in Redwood City for the County of San Mateo's Information Services Department for use by the Radio Shop by extending the term from February 28, 2021 through June 30, 2021 (License No. 1308).

BACKGROUND:

Since 2014, the County of San Mateo has occupied approximately 10,000 square feet of warehouse, office and data center space at 1320 Marshall Street in Redwood City. The County's Data Center relinquished 1200 square feet upon completion of the new Regional Operations Center. The Radio Shop must continue in place until the new space is complete at the County's Grant Yard facility. Delays involving PG&E pushed back the demolition of a structure needed to facilitate the new construction. This delay necessitates a four-month extension of the existing license.

DISCUSSION:

Real Property Services has accordingly negotiated a short-term, four-month extension to accommodate the construction delay. The License will be extended through June 30, 2021.

County Counsel has reviewed and approved the Second Amendment to the License Agreement and resolution as to form. The Director of the Information Services Department concurs in this recommendation.

PERFORMANCE MEASURE:

Measure	FY 2019-20 Actual	Avg. Asking Rent Redwood City Q1-2020
Monthly Rental Rate:	\$6.50 FS blended real estate and data center	\$5.42 FS blended office and warehouse rate

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 blended rental rate for the leased area is \$6.50 full service per square foot per month, which is high compared to the average asking rate for office/industrial space of \$5.42 full service per square foot per month. The lease rate is high given the special use and short-term nature of the lease.

FISCAL IMPACT:

The license fees and operating costs due under this amendment will be included in the September Revisions to the FY 2020-21 Information Services Department budget.