



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER

**File #:** 21-267

Board Meeting Date: 4/6/2021

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

**To:** Honorable Board of Supervisors

**From:** Michael P. Callagy, County Manager

**Subject:** First Amendment to Office Lease with Health Plan of San Mateo for the County's leasing of the second floor of the building at 801 Gateway Boulevard, South San Francisco, California, (Lease No. 1322)

### **RECOMMENDATIONS:**

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute the First Amendment to Office Lease with Health Plan of San Mateo for the County's leasing of the 29,333 square feet of office space on the second floor in the building commonly known as 801 Gateway Boulevard, South San Francisco, also known as Assessor Parcel Numbers 015-024-450 and 015-024-460, for the continued term through March 31, 2026, at a monthly Base Rent of \$98,559, with annual 3% increases; and
- B) The County Manager, or designee, to accept or execute notices, options, consents, approvals, terminations, and documents in connection with the Lease.

### **BACKGROUND:**

The County Health Department has used the 29,333 square feet of office space located in the building located at 801 Gateway Boulevard, in South San Francisco, since April 1, 2016. The initial lease term is expiring, and the County has one option to extend the agreement for one additional five-year term through March 31, 2026.

### **DISCUSSION:**

Real Property Services has negotiated the extension of the lease agreement for a term through March 31, 2026, at a monthly Base Rent of \$98,559.00, with annual 3% increases. The current Base Rent was calculated to be equal to ninety percent of the prevailing market rate for space situated within the immediate vicinity of the South San Francisco submarket, of comparable size, age, location, and quality. County Counsel has reviewed and approved the Lease as to form. The Director of County Health concurs in this recommendation.

**FISCAL IMPACT:**

County Health has been leasing the space since 2016, and will continue paying rent, subject to the annual 3% increase. There are no new fiscal impacts.