



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY EXECUTIVE

**File #:** 22-887

Board Meeting Date: 11/15/2022

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**Special Notice/Hearing:** None  
**Vote Required:** 4/5 Vote

**To:** Honorable Board of Supervisors

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

**Subject:** Lease Agreement for County Vital Records at 1600 W. Hillsdale Blvd., Suite 203, in San Mateo (Lease No. 1341)

### **RECOMMENDATIONS:**

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Lease Agreement with Lebherz W. Hillsdale Blvd., LLC, for approximately 1,653 rentable square feet of office space through October 31, 2025, for the total monthly Rent of \$5,785.50, plus 3% annual increases; and
- B) The County Executive, or their designee, to accept or execute notices, options and documents associated with the Lease Agreement including, but not limited to, extension or termination of the agreement under the terms set forth therein. (Lease No. 1341)

### **BACKGROUND:**

Vital Records currently occupies space at the San Mateo County Medical Center located at 225 37<sup>th</sup> Ave in San Mateo, which is scheduled to be demolished in Spring 2023. Vital Records will eventually be relocating to the new county-owned Administrative Building B, located at the same location and will require a temporary location until the new space is available.

Vital Records wishes to lease the 1,653 square foot office space located at 1600 W. Hillsdale, in San Mateo, through October 31, 2025, with the ability to occupy the Premises on a month-to-month tenancy thereafter to provide flexibility in the construction schedule of Administrative Building B.

### **DISCUSSION:**

Real Property Services has negotiated a monthly base rental amount of Five Thousand Seven Hundred Eighty-Five Dollars and 50 Cents (\$5,785.50), per month, based on \$3.50 per square foot. The rent is considered full service gross and shall be increased annually by 3% through the end of the term on October 31, 2025, and any month-to-month occupancy that extends beyond a 12-month

period. The County will accept the premises in its AS IS condition.

**PERFORMANCE MEASURES:**

Measure	FY 22-23 Actual	Avg. Asking Rate in San Mateo Q4-2021
Monthly Rate:	\$3.50/sf Office Space	\$5.40/sf Office Space

Real Property Services strives to maintain an average cost of leased facilities that compares favorably with the average asking rate for comparable facilities. The negotiated rate for this space is lower than the average asking rate for San Mateo. Based on the location and buildout of the building, the negotiated rate is the best option for the County.

**FISCAL IMPACT:**

Real Property Services has negotiated the monthly Base Rent of \$5,785.50, based on \$3.50 per square foot per month for the office space. The rent shall be increased annually by 3% through the end of the term on October 31, 2025. The County will accept the premises in its AS-IS condition. Rent is budgeted in Account No.: 62350-6716