



County of San Mateo

Inter-Departmental Correspondence

Department: BOARD OF SUPERVISORS
DISTRICT 4
File #: 23-662

Board Meeting Date: 8/1/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Carolyn Bloede, Director, Office of Sustainability
Subject: Resolution to Approve the Purchase of Real Property by the South Bayside Waste Management Authority for Administrative Offices

RECOMMENDATION:

Adopt a resolution authorizing the South Bayside Waste Management Authority's acquisition of real property located at 1245 San Carlos Avenue, Suite E, San Carlos, California for a total purchase price not to exceed \$1,700,000.

BACKGROUND:

The South Bayside Waste Management Authority (SBWMA) was formed on December 9, 1999, pursuant to a Joint Exercise of Powers Agreement (JPA), executed by twelve Member Agencies, including the County of San Mateo. The JPA was amended in 2006, 2013, and 2021. In December of 2020, the Town of Atherton withdrew from the SBWMA. The SBWMA was formed to provide solid waste and recycling services to its member agencies, which includes County Service Area 8 (North Fair Oaks) and County Franchised Area, and the following cities: Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, San Mateo, Redwood City, San Carlos, and West Bay Sanitary District (a special district).

DISCUSSION:

The SBWMA administrative offices have been located in the City of San Carlos' Library for the last 16 years. The SBWMA's current lease ends on June 30, 2024 and the City of San Carlos has indicated the lease will not be extended due to the city requiring additional office space. The SBWMA began working with a commercial real estate broker to find affordable office space that would accommodate the agency, public guests, and provide meeting space for the SBWMA Board of Directors and Technical Advisory Committee. The space would need to include parking, be located near public transit, and be in close proximity to the Shoreway Environmental Center facility in San Carlos, which is managed by the SBWMA.

Pursuant to Article 7 of the JPA that governs SBWMA, in order to move forward with a real property

transaction, SBWMA must have approval by 9 of its 11 member agencies.

The SBWMA Board met in closed session at its April, May, and June 2023 regular meetings to discuss whether to direct SBWMA staff to pursue further rental options or purchase a property. At the conclusion of its SBWMA Board meeting in June 2023, the Board authorized the Executive Director to make an offer to purchase a property. The property was identified (Exhibit A), and the seller has agreed to the sale of the property pursuant to the following conditions:

1. Purchase Price: \$1,700,000
2. Due diligence period: up to 60 days from agreement (this is the period in which SBWMA conducts its due diligence, architectural studies, finance options, etc., and in which SBWMA can back out of the sale and get its deposit refunded)
3. Agency contingency: obtaining no less than two-thirds of member agency approvals within 105 days
4. Loan to value: up to 75%
5. Deposit: \$50,000
6. Close of Escrow: no later than 11/15/2023.

The SBWMA Board recommends to the Member Agencies that the purchase of the property be approved for two reasons. First, the property meets all the identified criteria regarding location and space and the City of San Carlos has reviewed the zoning clearance (Exhibit B). Second, as demonstrated by the Cost Analysis of the Offer to Purchase Versus Lease prepared by HF&H Consulting (Exhibit C), acquisition of the property will result in a 39 percent cost savings over 30 years (\$2,166,098).

Upon receiving approval from two-thirds of the Member Agencies and satisfaction of all other contingencies, the SBWMA Board, in open session, will authorize closing of escrow and purchase of the property at 1245 San Carlos Avenue, Suite E, San Carlos, California for a total purchase price not to exceed \$1,700,000.

The County Attorney's Office has reviewed and approved the resolution as to form.

FISCAL IMPACT:

There is no fiscal impact to the County associated with the adoption of the resolution.

ATTACHMENTS:

- Resolution authorizing the South Bayside Waste Management Authority's acquisition of real property located at 1245 San Carlos Avenue, Suite E, San Carlos, California for a total purchase price not to exceed \$1,700,000.
- Exhibit A, Property Brochure
- Exhibit B, Zoning Clearance
- Exhibit C, Property Cost Analysis