



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 23-772

Board Meeting Date: 9/26/2023

Special Notice/Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive

Subject: Sixth Amendment to Lease Agreement for Central County Health Clinic at 1950 and 2000 Alameda de las Pulgas (Lease No. 1283)

RECOMMENDATIONS:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Sixth Amendment to the Lease Agreement (Lease No. 1283) with Alameda Fields-1, LLC, to amend the Lease for County's leasing of additional office space, known as Suite 162, for approximately 2,000 rentable square feet, for the total monthly base rent of \$5,340; and
- B) The County Executive, or their designee, to accept or execute notices, options and documents associated with the Agreement including, but not limited to, extension or termination of the agreement under the terms set forth therein.

BACKGROUND:

On June 5, 2007, the County entered into a Lease Agreement with Hines REIT 1900/2000 Alameda de las Pulgas LLC, for 81,223 square feet of office space at the office project located at 1950 and 2000 Alameda de las Pulgas, in San Mateo, also known as the Central County Health Clinic (Original Lease). The County now wishes to lease Suite 162, consisting of approximately 2,000 rentable square feet, to be used by the Informational Services Department (ISD). This Sixth Amendment will simply add on this additional space, and all other terms and conditions of the Lease will remain in full force and effect.

DISCUSSION:

Real Property Services has negotiated a monthly base rental amount of Five Thousand Three Hundred Forty Dollars (\$5,340), plus its proportionate share of operating costs. The Rent shall be increased annually by 3% through the end of the term on February 28, 2031. The County will accept the premises in its AS IS condition, except that there remains a Tenant Improvement balance in the amount of \$591,447.30 to be used in accordance with the terms, conditions, and covenants set forth

in the Lease. The County currently has a few pending improvement projects and anticipates fully utilizing this Tenant Improvement balance.

EQUITY IMPACT:

The County of San Mateo is dedicated to ensuring equitable access to quality services for all residents. The County acquires and leases real property to ensure all residents can access services in the locations and facilities best suited to their specific purposes. This acquisition will further the County's ability to ensure that critical services for residents can continue to be met.

FISCAL IMPACT:

Real Property Services has negotiated the monthly Base Rent of \$2.67 per square foot for the office space, which is consistent with the master original lease. The Rent shall be increased annually by 3% through the end of the term on February 28, 2031. The County will accept the premises in its AS-IS condition, except that there remains a balance of Tenant Improvements in the amount of \$ 591,447.30 to be used in accordance with the terms, conditions and covenants set forth in the Lease.