



CITY OF SAN MATEO

City Hall
330 W. 20th Avenue
San Mateo CA 94403
www.cityofsanmateo.org

Agenda Report

Agenda Number: 27

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: City Manager's Office
MEETING DATE: August 17, 2020

SUBJECT:
Worker's Resource Center – Commercial Lease

RECOMMENDATION:

Approve the lease of the property at 171 North Amphlett Boulevard for a period of one year at a rate not to exceed \$64,925 for use as the Worker's Resource Center, approve the three possible one-year lease extensions, and authorize the City Manager to execute the lease on behalf of the City.

BACKGROUND:

The Worker's Resource Center (WRC) is a facility that links up day laborers with potential employers. The facility was established in order to address the issue of day laborers congregating on the street and to provide services to help them negotiate a fair wage for their work. The City contracts with Samaritan House to staff and operate the WRC and provides them with the facility for their use.

The WRC is currently located in a repurposed trailer on the City-owned surface parking lot at 5th Avenue and Railroad Avenue. The parking lot is planned to be redeveloped into a parking garage as part of the City-Owned Downtown Opportunity Sites project that the City is partnering with MidPen Housing to complete. As a result of this project, the WRC will need to be relocated within the next calendar year. Additionally, the trailers that are currently being used by the WRC are very old and are in need of significant repairs, including a new roof.

At the November 2019 Study Session on the Downtown Opportunity Sites project, the City Council directed staff to identify a new location for the WRC. The Amphlett corridor was suggested a good fit due to its excellent freeway access and proximity to the North Central neighborhood where many of the day laborers live. Staff, working with our commercial broker Capital Realty, identified the property at 171 North Amphlett as viable site for the WRC relocation. The space is 2,700 square feet with a private office area and restroom. Samaritan House has toured the facility and believes that it will work well for their needs. The property does not need any tenant improvements in order to be occupied.

The negotiated lease will be for a one-year term commencing in September 2020. The lease includes three one-year extension options with a 3% annual increase for each extension. The proposed lease is included as Attachment 1 to this report. The lease is a triple net lease, which means that the City will be responsible for the utility costs and for any minor interior repairs, such as plumbing or electrical issues in the space.

Due to COVID-19, the WRC is currently operating outdoors only at its current site and has implemented protection protocols. The property at 171 N. Amphlett does not have sufficient outdoor space to accommodate similar outdoor operations. However, the WRC can continue using the current site on 5th Avenue for another 10 months or more, if needed. If physical distancing protocols are still required when Samaritan House relocates to the new location, they will limit the number of workers that come to the center and revise their current protocols as needed. Given that there are

limited vacancies in the Amphlett corridor and light industrial buildings remain in high demand, staff believes it is prudent to move forward with the lease of the property at this time.

BUDGET IMPACT:

The negotiated lease rate is \$5,000 per month for the space plus an additional \$410.39 per month for common area maintenance fees. The total annual cost to the City will be \$64,925. If the City executes the options to extend the lease for additional years, the rate will increase by 3% annually. Funds have been budgeted for this purpose in the Community Development Department's General Fund budget for the Worker Resource Center.

ENVIRONMENTAL DETERMINATION:

This lease is categorically exempt from CEQA as an "existing facility," because it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. (CEQA Guidelines Section 15301.)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Lease

STAFF CONTACT

Kathy Kleinbaum, Assistant City Manager
kkleinbaum@cityofsanmateo.org
(650) 522-7153