



Staff Report

TO: Board of Harbor Commissioners
FROM: James B. Pruett, General Manager
DATE: June 12, 2024
SUBJECT: Real Property Lease: Surfers Beach RV Park

Requested Action/Issue:

Enter a new lease with Pillar Point Harbor, LLC.

Recommendation/Motion:

Adopt Resolution No. 24-15 approving and authorizing the General Manager to execute a real property lease between San Mateo County Harbor District and the Pillar Point Harbor, LLC., dba Pillar Point RV Park.

Policy Implications:

Update lease to bring it to current market value and insurance requirements.

Fiscal Implications:

Increase in monthly rental income of approx. \$13,000.

Background/Discussion:

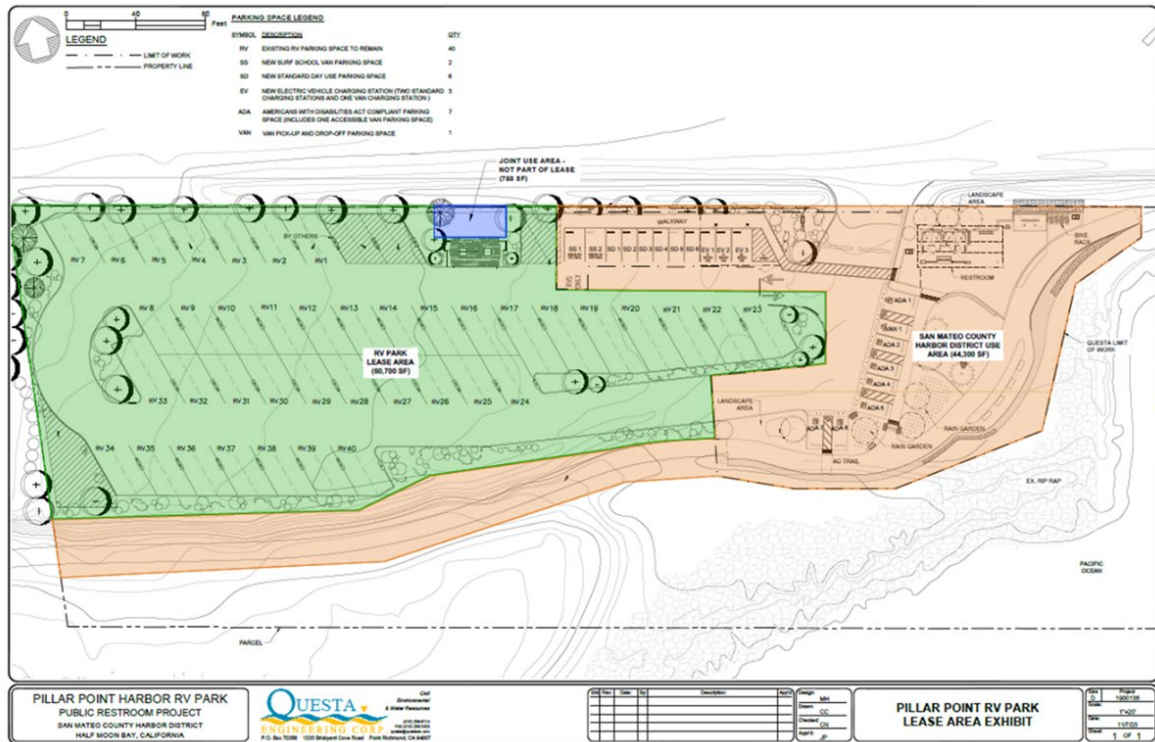
Working in cooperation with Pillar Point Harbor LLC., the Harbor District and PPH LLC have come to an agreement to update the real property lease at Surfers Beach. The update was required to reflect the responsibilities and authorities as to the leased property following the completion of the new Surfers Beach Restroom and Greenspace Project, as well as updated the lease amount and insurance requirements.

The main provisions of the lease include:

1. Monthly Lease Payment: \$15,782.
2. Cost of Living Adjustment: Beginning January 1, 2027, and each subsequent year, rent shall increase by the greater of 3% or the percentage increase in the Consumer Price Index.
3. Term:

- a. Two-year initial term, with an option for three (3) additional years provided the Tenant is not in default (including compliance with the after the fact Coastal Permit).
- b. Option to extend by three (3) additional terms of up to five (5) years each, provided Tenant is not in breach.

The lease area is depicted in the following drawing:



The attached lease has been reviewed and approved by General Counsel.

Recommendation/Motion:

Adopt Resolution No. 24-15 approving and authorizing the General Manager to execute a real property lease between San Mateo County Harbor District and the Pillar Point Harbor, LLC., dba Pillar Point RV Park.

Attachments:

- 1) [Resolution No. 24-15](#)
- 2) Real Property Lease between SMCHD and Pillar Point Harbor, LLC.