

Caltrain Headquarters Recommendation

PENINSULA CORRIDOR
JOINT POWERS BOARD

DECEMBER 5, 2024



166 N. Rollins Ave, Millbrae (SamTrans)



Owner	Swift SamTrans lease with option to purchase
Distance to Transit	3-minute walk (Caltrain and BART)
Rent	Includes operating expenses First 4 months free Rent starts at \$3.75/sf/mo., increases to \$7.21/sf/mo. starting year 6
10-year cost	\$20.5 M

- Directly adjacent to Caltrain and BART
- New building designed for public sector use (on-site board room and meeting rooms, security)
- Efficient suite layout; potential for expansion if needed
- Same building as shared services staff
- Best for current staff commutes

Summary Term Sheet (1 of 3)

Term	Description
Space	<ul style="list-style-type: none">• 26,500 sq. ft. usable space / 30,000 sq. ft. rentable• Use of common areas including board room and gym• (Mutual) shared access to conference rooms
Rent	<ul style="list-style-type: none">• \$20.5 M over 10 years• Caltrain rent schedule has 4 months free rent in Year 1 and reduced rent in the first 5 years, stepping up thereafter
Term	<ul style="list-style-type: none">• 10 years
Tenant Improvements	<ul style="list-style-type: none">• Caltrain suite to be provided with the same finishings as the SamTrans space, at no additional cost
Parking	<ul style="list-style-type: none">• Shared use of auto and bike parking at no additional cost

Summary Term Sheet (2 of 3)

Term	Description
Option to Expand	<ul style="list-style-type: none">• SamTrans to coordinate with Caltrain and offer Caltrain option to rent when structuring leases for other tenants on the 4th floor• Rent for expansion space same as base rent
ICAP/Accounting	<ul style="list-style-type: none">• Prior to rent commencement, ICAP methodology for building costs will be adjusted, if necessary, to avoid overcharging to Caltrain and make costs transparent• Accounting strings needed for cost separation to be set up
Renewal Option	<ul style="list-style-type: none">• Two 5-year options to extend• Rent to be determined based on expected or actual costs

Summary Term Sheet (3 of 3)

Term	Description
Protection if SamTrans Chooses to Move	<ul style="list-style-type: none">• Caltrain has right to terminate the lease if the agencies have not moved in by January 1, 2027• SamTrans has the right to terminate the lease if it terminates its lease-purchase agreement with Swift prior to occupancy
Other Costs	<ul style="list-style-type: none">• Caltrain to bear its share of costs (Caltrain suite only)• Caltrain agrees to procurement decisions about furniture, fixtures, equipment and moving costs (FFEM) made prior to 11/7• Caltrain to participate in procurement processes underway for IT/Communications/Safety/AV but cannot opt out of these procurements• Caltrain to participate in future FFEM procurement processes but may opt out if it chooses

Recommendation

- Authorize the Executive Director to execute a lease agreement with SamTrans consistent with the Term Sheet



Thank you!

