

**San Mateo County Transit District (District)  
1250 San Carlos Avenue, San Carlos, California  
Minutes of Board of Directors Special Meeting**

**December 18, 2023**

**Members Present:** D. Canepa, M. Chuang, B. Esser, M. Fraser (Vice Chair), J. Gee,  
**(In Person)** R. Mueller, J. Powell (Chair), P. Ratto

**Members Present:** R. Medina  
**(Via Teleconference)**

**Members Absent:** None

**Staff Present:** A. Chan, D. Olmeda, K. Jordan Steiner, J. Cassman, S. van Hoften,  
J. Brook, M. Tseng

**1. Call to Order/Roll Call**

Chair Josh Powell called the meeting to order at 9:00 am. Margaret Tseng, Deputy District Secretary, confirmed that a quorum of the Board was present.

**2. Closed Session: Conference with Real Property Negotiators pursuant to Government Code Section 54956.8**

**2.a. Property: 610 Walnut Street, Redwood City**

**Agency negotiator: April Chan, District General Manager/CEO**

**Negotiating parties: Wind Hill Property Ventures**

**Under negotiation: Price and terms of payment**

**2.b. Property: 2075 Broadway Street, Redwood City**

**Agency negotiator: April Chan, District General Manager/CEO**

**Negotiating parties: Lane Partners**

**Under negotiation: Price and terms of payment**

**2.c. Property: 1 Circle Star Way, San Carlos**

**Agency negotiator: April Chan, District General Manager/CEO**

**Negotiating parties: Workspace Property Trust**

**Under negotiation: Price and terms of payment**

**2.d. Property: 166 N. Rollins Road, Millbrae**

**Agency negotiator: April Chan, District General Manager/CEO**

**Negotiating parties: Gateway Millbrae Office, LLC**

**Under negotiation: Price and terms of payment**

Joan Cassman, Legal Counsel, announced the closed session and noted that there was a possibility the Board could take action following the closed session.

*The Board recessed to closed session at 9:02 am and reconvened in open session at 11:15 am.*

**3. Report from Closed Session: A staff report and resolution regarding one of the above-listed properties may be presented for Board consideration following the closed session.**

Ms. Cassman said that the Board met in closed session to discuss real estate negotiations and, after considerable deliberation in closed session, the Board was ready to consider action regarding the property located at 166 N. Rollins Road in Millbrae. She noted that a resolution had just been provided to the Board and was made available to the public, and that the item would now be presented by staff and then open for public comment.

April Chan, General Manager/CEO, introduced Brian Fitzpatrick, Director, Real Estate and Development, to present the staff recommendation.

Mr. Fitzpatrick provided a presentation summarizing the recommendation to authorize execution of a lease-to-purchase agreement for the “Gateway at Millbrae Station” for the new District headquarters. The presentation included the following:

- Property location and description: 180,000-square-foot building with ~23,000 square feet of retail and ~157,000 square feet of office space, plus parking, at the transit-oriented development at the Millbrae BART (Bay Area Rapid Transit) and Caltrain stations, which will be built out and improved by the Owner/Lessor to the District’s specifications
- Summary of deal terms: lease with an option to purchase the property (subject to future action by the Board), as further set forth in an attachment to the resolution proposed for Board adoption
- Summary of prior Board and committee discussions, direction, and actions, beginning in May 2019 and leading up to this proposed action
- History and description of the condition of the current headquarters at 1250 San Carlos Avenue
- Overview of the advantages of the structure of the proposed transaction, including the opportunity to “live in” the fully improved space and complete a new District capital improvement plan before making a decision to purchase a new office building
- Findings of due diligence conducted by and for the District to confirm the value of the proposed deal, including that the prices proposed to be paid by the District are below-market and provide a discount relative to the cost to build the new office structure and space
- Conservative estimates of costs (totaling ~\$12.5 million) to occupy the Gateway at Millbrae Station during the first year after the District moves into the fully built-out office
- Potential to offset costs through rental income on ~23,000 square feet of retail and approximately one-third of the office space in the building

Director Jeff Gee emphasized that the Owner/Lessor would bear the risks of completing all construction improvements as outlined on Slide 9 of Mr. Fitzpatrick's presentation, which Mr. Fitzpatrick confirmed. Director Gee also clarified that the future purchase price would include the building with the completed build-out and tenant improvements, and taking over the associated long-term ground lease with BART, which Mr. Fitzpatrick confirmed.

**Authorizing Execution of an Agreement to Lease 166 N. Rollins Road in Millbrae, California for a New Headquarters Building for up to 146 Months, with an Option to Purchase the Building for \$126 Million within 30 Months of Moving In or Substantial Completion of Build-Out –**

*Approved by Resolution No. 2023-59*

Motion/Second: Fraser/Ratto

Ayes: Canepa, Chuang, Esser, Fraser, Gee, Medina, Powell, Ratto

Noes: Mueller

Absent: None

**4. Date/Time of Next Regular Meeting – Wednesday, January 10, 2024 at 2:00 pm**

Chair Powell announced the time and location of the next meeting as Wednesday, January 10, 2024, at 2:00 pm, in person at the SamTrans Auditorium and via Zoom teleconference.

**5. Adjourn**

The meeting adjourned at 11:35 am.

An audio/video recording of this meeting is available online at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>. Questions may be referred to the District Secretary's office by phone at 650-508-6242 or by email to [board@samtrans.com](mailto:board@samtrans.com).