



Midpeninsula Regional  
Open Space District

R-26-66  
Meeting 26-14  
May 13, 2026

**REVISED AGENDA ITEM 7**

## **AGENDA ITEM**

Authorize the General Manager to enter into a new Lease Agreement with SHC Half Moon Bay LLC (Ritz Carlton Hotel) and delegate authority to the General Manager to take future property management actions related to the Lease at the Coastal Field Office Property located at 2251 S. Cabrillo Hwy, Half Moon Bay (portions of Assessor's Parcel Numbers 066-093-~~028280~~ and 066-093-~~027270~~)

## **GENERAL MANAGER'S RECOMMENDATIONS**

A handwritten signature in black ink, appearing to read "S. de la..."

1. Determine that the recommended actions are categorically exempt under the California Environmental Quality Act (CEQA), as set out in the staff report.
2. Adopt a Resolution authorizing the General Manager to enter into an 18-month Lease agreement with the Ritz Carlton Hotel and delegating future property management actions to the General Manager related to the Lease at the Coastal Area Office Property located at 2251 S. Cabrillo Hwy, Half Moon Bay.

## **SUMMARY**

On October 10, 2025, the Midpeninsula Regional Open Space District (District) purchased the 2.61-acre commercial property on 2251 S. Cabrillo Hwy, in Half Moon Bay (Property), as the site for its future Coastal Area Office ([R-25-16](#), [minutes](#)). At the time of purchase, there were three tenants leasing space at the Property. As the District is currently working to entitle the site for redevelopment, there is capacity to continue leasing the space. The Property is improved with an approximately 3,000 square foot building and an approximately 1.4-acre, 152 paved parking area. The commercial building is currently rented on a month-to-month basis by two businesses for storage, and the parking area (Parking Area) is currently leased by the Ritz Carlton Hotel for employee parking through June of 2026. The current lease agreement with the Ritz Carlton Hotel is set to expire in June 2026. The General Manager recommends entering into a new 18-month Lease agreement with options to extend and for the Board of Directors (Board) to delegate property management actions related to the Lease (such as extending the term) to the General Manager.

## **DISCUSSION**

In June 2003, the District expanded its boundary to include the San Mateo County Coastal Annexation Area (Coastal Annexation Area) and adopted an associated Service Plan (Coastal Service Plan). The Coastal Service Plan directs the District to create a field office and maintenance facility once the District manages approximately 15,000 acres of land within the

Coastal Annexation Area. The District currently manages approximately 19,435 acres (includes 17,724 acres in fee title and 1,156 under a lease and management agreement) in the Coastal Annexation Area, necessitating a permanent Coastal Area Field Office to relocate coastal area field staff and effectively support operational needs. The Preliminary Use and Management Plan (PUMP) for the Property, adopted upon the District's purchase, allows for commercial tenants to continue to lease the Property pursuant to existing lease agreements. The PUMP anticipated that if the existing tenants desired to extend their rental or lease of the Property, the District could allow for continued rental or lease of the Property until District development of a Coastal Area Field Office requires the site to be vacated. The new lease term for the Ritz Carlton would be 18 months with an option to extend for an additional 3-month term, at the District's discretion. The day-to-day property management duties are handled by District Real Property staff.

Board Policy 4.02, *Improvements on District Lands*, provides that the District occasionally utilizes structures as revenue sources. The Board policy provides that revenue-generating structures are evaluated on a case-by-case basis by the Board and are generally rented out at fair market value. Structures that are slated for demolition or are retained for a future District purpose may be rented temporarily as a means of revenue production.

## **CEQA COMPLIANCE**

### **Project Description**

The project consists of entering into a new lease agreement with an existing tenant for the continued use of an approximately 1.4-acre, 152 paved car parking area.

### **CEQA Determination**

The District concludes that this project will not have a significant effect on the environment. It is exempt from the California Environmental Quality Act (CEQA) under Article 19, Section 15301 as follows:

Section 15301 exempts the leasing of existing public or private structures or facilities, involving negligible or no expansion of existing or former use. The project consists of a new lease to continue an existing use of the site as a parking area. No expansion of the existing use is proposed as part of the new lease.

## **TERMS AND CONDITIONS**

Under the existing lease, the Ritz Carlton Hotel leases the Parking Area at a base rental rate of \$14,751.81 per month. Upon entering into the proposed 18-month Lease agreement, the base rental rate for the period of July 1, 2026 – December 31, 2026 would remain the same at \$14,751.81 per month (this is because the rent was just increased on January 1, 2026), and the rent would increase 3% to \$15,194.36 for the period of January 1, 2027 – December 31, 2027. In addition to the term and rental rate, numerous provisions within the proposed Lease agreement are being updated relative to the existing lease that the District assumed upon purchase of the Property. Updates include provisions for payment of possessory interest tax, a security deposit, and meeting District insurance requirements.

**FISCAL IMPACT**

The proposed Lease agreement would have a positive impact of about \$180,000 in FY27 and about \$90,000 in FY28. The projected lease income over the 18-month period is in the chart below.

Rental Period	Base Rent	Total Rent Collected
07/01/26 – 12/31/26	\$14,751.81	\$88,510.86
01/01/27 – 12/31/27	\$15,194.36	\$182,332.32
<b>Total</b>		<b>\$270,843.18</b>

**PRIOR BOARD AND COMMITTEE REVIEW**

January 22, 2025: the Board approved the purchase of the Alves Properties, which includes the commercial property as the site of a future new Coastal Area Field Office. ([R-25-16](#), [minutes](#))

**PUBLIC NOTICE**

Public notice for this meeting was provided as required by the Brown Act. A copy of the agenda for this meeting was mailed to property owners of land located adjacent to or surrounding the Property, to interested parties, and to those listed on the Coastside Protection Area mailing list.

**NEXT STEPS**

Upon Board approval the General Manager will enter into a new Lease agreement with SHC Half Moon Bay LLC (Ritz Carlton Hotel).

Attachments:

1. Resolution Authorizing the General Manager to enter into a Lease Agreement with SHC Half Moon Bay LLC (Ritz Carlton Hotel) and delegating authority to the General Manager to take future property management actions related to the Lease located at 2251 S. Cabrillo Hwy, Half Moon Bay
2. Coastal Field Office Parking Area Location Map

Responsible Department Head:  
Allen Ishibashi, Real Property Manager

Prepared by/Contact Person:  
Lupe Hernandez, Real Property Agent II

Graphics prepared by:  
Fran Lopez Tapia, Data Analyst II

RESOLUTION 26-\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LEASE AGREEMENT WITH SHC HALF MOON BAY LLC AND AUTHORIZING THE GENERAL MANAGER TO TAKE FUTURE PROPERTY MANAGEMENT ACTIONS RELATED TO THE LEASE LOCATED AT 2251 S. CABRILLO HIGHWAY, HALF MOON BAY

The Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

SECTION ONE. The General Manager or General Manager’s designee is authorized to enter into an 18-month Lease Agreement with SHC Half Moon Bay, LLC for the paved parking area at the new Coastal Field Office Property located at 2251 S. Cabrillo Hwy, Half Moon Bay.

SECTION TWO. The General Manager or General Manager’s designee is authorized to take future property management actions, including executing extending the term of the Lease pursuant to the Lease agreement.

\* \* \* \* \*

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on May 13, 2026, at a regular meeting thereof, by the following vote:

- AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Margaret MacNiven, Secretary
Board of Directors

Zoe Kersteen-Tucker, President
Board of Directors

APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

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Maria Soria, District Clerk

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Created By: flopez



### Ritz Carlton Hotel Lease Area

- Alves properties
- Ritz Carlton Hotel Lease Area

Midpeninsula Regional  
Open Space District  
(Midpen)  
4/13/2026



While the District strives to use the best available digital data, these data do not represent a legal survey and are merely a graphic illustration of geographic features.