SEAL OF

Contra Costa County

To: Board of Supervisors

From: Brian M. Balbas, Public Works Director/Chief Engineer

Date: August 9, 2022

Subject: Lease for 2731 Systron Drive, Suite 250, Concord

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute a lease with Systron Business Center, LLC, for approximately 23,258 square feet in the building located at 2731 Systron Drive, Suite 250, Concord, for a ten-year term for the Health Services Department – Public Health group, at an initial annual rent of \$652,490.40 for the first year with annual increases thereafter, plus a share of landlord's operating expenses beginning in 2024. (100% Org# 5754)

FISCAL IMPACT:

100% Health Services Health Plan

BACKGROUND:

The Health Services Department needs to relocate Public Health (PH) staff from 595/597 Center Avenue, Martinez, to free up space for Contra Costa Health Plan (CCHP) staff. The CCHP staff growth and space needs are directly related to the recently approved Medi-Cal waiver.

Staff from the Health Services Department – Women, Infant, and Children (WIC) group

| ✓ APPROVE | OTHER |
|---|--|
| ▼ RECOMMENDATION OF CN ADMINISTRATOR | TY RECOMMENDATION OF BOARD COMMITTEE |
| | ✓ APPROVED AS RECOMMENDED ☐ OTHER |
| Clerks Notes: | |
| VOTE OF SUPERVISORS | |
| | |
| AYE: John Gioia, District I Supervisor | |
| Candace Andersen, District II Supervisor | I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown. |
| Diane Burgis, District III Supervisor | ATTESTED: August 9, 2022 |
| Karen Mitchoff, District IV Supervisor Federal D. Glover, District V Supervisor | Monica Nino, County Administrator and Clerk of the Board of Supervisors |
| Contact: Margaret Eychner, | By: June McHuen, Deputy |

925-957-2463

| will occupy the only other suite in this building and will share a breakroom and restroom with PH. |
|---|
| Beginning in 2024, in addition to base rent, PH will pay any increase in operating expense, utility expense, property taxes, and insurance over the base year of 2023. PH's |
| |
| |
| |

BACKGROUND: (CONT'D)

responsibility to pay an increase in operating expenses is capped at no more than a 4% increase per year.

CONSEQUENCE OF NEGATIVE ACTION:

PH groups would need to remain in at their existing location and the County would need identify alternative space for the expanding CCHP staff.

ATTACHMENTS

Lease Agreement

Exhibit A

Work Letter

Work Letter - Schedule 2

Work Letter - Schedule 2A