



Contra
Costa
County

To: Board of Supervisors

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

Date: March 21, 2023

Subject: First Amendment to two existing leases - 2731 Systron Drive, Concord

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute an amendment to the lease dated August 9, 2022, between the County, as tenant, and Systron Business Center, LLC, as owner, under which the County is leasing Suite 200 in the building located at 2731 Systron Drive, Concord, to correct the number of square feet subject to the lease and make related changes.

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute an amendment to the lease dated August 9, 2022, between the County, as tenant, and Systron Business Center, LLC, as owner, under which the County is leasing Suite 250 in the building located at 2731 Systron Drive, Concord, to correct the number of square feet subject to the lease and make related changes.

FISCAL IMPACT:

Suite 200: 100% WIC Program Funds; Suite 250: 100% Health Services Health Plan Funds

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **03/21/2023** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Ken Carlson, District IV Supervisor
Federal D. Glover, District V 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.

ATTESTED: March 21, 2023

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Margaret Eychner,
925-957-2463

By: June McHuen, Deputy

cc:

BACKGROUND:

On August 9, 2022, the County entered into two leases with the owner of the building located at 2731 Systron Drive in Concord, one for Suite 200 and one for Suite 250. Suite 200 will be used by the Health Services Department - Women, Infants and Children Program. Suite 250 will be used by the Health Services Department – Public Health. The two suites share a common area, which includes a data server room that is for exclusive use by the County.

In the course of constructing planned tenant improvements, it was discovered that a portion of the area designated for the County's data server room is already occupied by a data server that serves the entire office complex. In addition, it was discovered that the square footage of two electrical closets serving the entire office complex and the entirety of a lobby shared with an unrelated tenant had been incorrectly included in the calculation of square footage being leased by the County. As a result, both County leases currently overstate the number of square feet being leased by the County and the County's proportionate share of the office complex. The errors have the effect of the County being overcharged for base rent and for its share of the operating costs of the office complex.

The two proposed amendments correct (i) the number of square feet being leased by the County, (ii) the base rent to be paid by the County, and (iii) the County's proportionate share of the complex. In addition, the amendments make it clear that the lessor can only access the non-County space that is within Suite 200 and Suite 250 by appointment during regular business hours.

CONSEQUENCE OF NEGATIVE ACTION:

During the term of the lease, the County will pay more per square foot than it had agreed to pay and more than its fair share of the operating expenses of the complex.

ATTACHMENTS

Lease for Suite 200

Lease for Suite 250