



Lou Ann Texeira  
 Executive Officer

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<b>Sean Wright</b> <i>City Member</i>

July 10, 2019 (Agenda)

Contra Costa Local Agency Formation Commission  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Lease Agreement for LAFCO Office Space**

July 10, 2019  
 Agenda Item 12

Dear Members of the Commission:

**DISCUSSION**

Contra Costa LAFCO currently leases office space at 651 Pine Street, 6<sup>th</sup> Floor in Martinez. As previously discussed with the Commission, the LAFCO office will relocate to 40 Muir Road in Martinez in July 2019.

For the past several years, Contra Costa LAFCO has planned to relocate and add a staff person. Our current space at 651 Pine Street is approximately 580 square feet of office space plus common areas. We have no room to expand at our current location. The County recently completed the remodel of 40 Muir Road in Martinez, and the space is now available. LAFCO will occupy approximately 620 square feet of dedicated office space (i.e., two workstations, one private office, storage space). LAFCO will also have access to a conference room, breakroom, restroom, and common areas.

In accordance with the relocation, County staff is preparing a new lease agreement. The lease will include provisions relating to monthly rent for the dedicated LAFCO office space, monthly payments associated with LAFCO’s share of the tenant improvement (TI) costs (i.e., conference room, breakroom, restroom), and other standard provisions such as maintenance/repairs, insurance/indemnification, alterations, inspections, etc.

The lease provides for an initial 5-year term with two 5-year renewal options, along with provisions for lease termination and extension. The lease also specifies that should LAFCO vacate the space, both the rent and payments associated with the TI costs will terminate.

LAFCO staff has been advised that the Contra Costa County Board of Supervisors will be asked to approve the lease agreement with Contra Costa LAFCO for space at 40 Muir Road on July 23, 2019. LAFCO anticipates completing its relocation on or before that date.

## **FISCAL IMPACT**

The base rent for LAFCO's office space in this building is a percentage of building operation costs. For FY 2019-20 the monthly base rent is approximately \$1,047 per month. In addition to the base rent, LAFCO is required to pay its prorated share of TI costs associated with the common areas. The TI repayment cost will be approximately \$1,000 per month for approximately 15 years, the full potential term of the lease. Adequate funds are included in the FY 2019-20 LAFCO budget.

## **RECOMMENDATIONS**

1. Approve a lease agreement with Contra Costa County for a five-year term beginning July 22, 2019 and ending July 21, 2024 for 620 square feet of dedicated office space (i.e., two workstations, one private office, storage space), and two five-year renewal options, for a base monthly rent starting at \$1,047, plus a monthly charge of \$1,000 for tenant improvements, for a total monthly cost of \$2,047. The lease provides for access to a conference room, breakroom and restroom. Should LAFCO vacate the space, both the rent and payments associated with the TI costs will terminate; and
2. Authorize the LAFCO Executive Officer to execute the lease, subject to approval as to form by the LAFCO Legal Counsel.

Please contact the LAFCO office if you have any questions.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

- c: Stacey Sinclair, County Real Estate Division  
John Kopchik, Director, Department of Conservation and Development  
Robert R. Campbell, County Auditor