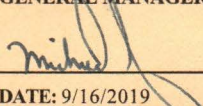

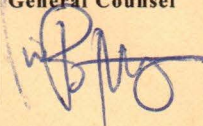
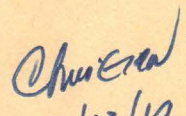
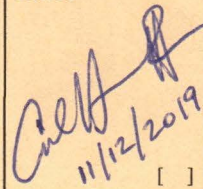




## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  DATE: 9/16/2019		GENERAL MANAGER ACTION REQ'D:  11/13/19		
DATE: 9/16/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: David Baumann Dept: Real Estate and Property Development  Signature/Date: 11/13/19	General Counsel  11/13/19 [ ]	Controller/Treasurer  11/13/19 [ ]	District Secretary  [ ]	BARC  11/12/2019 [ ]
Status: Approved		Date Created: 9/16/2019		

### Authorization to Enter into Lease for Employee Work Space

#### PURPOSE:

To authorize the General Manager, or his designee, to enter into a Lease with Merced Bar, LLC (Landlord) for approximately 25,000 square feet of employee work space at 2500 Bates Avenue, Concord, CA for a 10-year term with a tenant option to extend for five years.

#### DISCUSSION:

As part of the Measure RR infrastructure renewal programs, it is important for employees to have a meeting place, along the C-Line to report at the beginning and end of their shift, as well as a secure area for construction vehicle storage. Construction projects have commenced and are scheduled to continue through 2029.

Staff evaluated multiple potential reporting locations and identified three potential properties that meet the District's needs. After an evaluation of each site based on proximity to the C-line, cost per square foot, truck and dock access, common area maintenance; staff determined that 2500 Bates Avenue in Concord ("Property") was the most suitable location. The other properties were determined to be too small, had insufficient parking, or were too far away from the central project locations. This site is within 1/2 mile of the North Concord-Martinez BART station, which aids in the efficient deployment of resources. The average cost per square foot of the industrial properties considered is \$1.20 per square foot. The subject property cost is \$1.17 per square foot for the initial year, with rent escalation of 3% per year.



The Property selected will be leased for a term of one hundred and twenty five months, commencing on January 1, 2020 and expiring May 2030, with an option to renew for an additional sixty months, at the District's request.

The first-year lease payment, including taxes, insurance, and common area operating expenses ("Net Charges") are estimated to be \$297,282.00. This amount includes 5 months of rent abatement. PG&E and water costs have been excluded from this amount, and will be billed monthly. A previous tenant's monthly utility bill was approximately \$1,100. It is unclear what BART's monthly utility bills will be. The landlord does not require a security deposit.

**INITIAL 10-YEAR LEASE**

YEAR	RENT
1	\$297,282.00
2	\$458,694.60
3	\$474,388.56
4	\$490,661.39
5	\$507,525.26
6	\$525,004.92
7	\$543,113.77
8	\$561,889.85
9	\$581,347.95
10	\$601,527.54
11	\$259,352.05
<b>TOTAL</b>	<b>\$5,300,787.89</b>

These amounts are estimates. They include the initial monthly rent of \$1.17 per square foot escalating at 3% per year plus the estimated initial monthly net charges of \$7,711.00. These amounts will vary slightly over the course of the lease due to variability of the Net Charges.

The cost of the option to extend the Lease for an additional 5 years is dependent upon market conditions at the time of renewal and therefore cannot currently be accurately determined.

The Office of the General Counsel will approve the Lease as to form.

**FISCAL IMPACT:**

Funding of \$5,300,787.89 for 10-year capital Lease obligation for employee work space



located on the Bates Avenue, Concord will come from the following projects:

**Project: 15CQ002 – Rails, Ties, Fasteners Ph3 Measure RR-\$1,766,929**

As of October 7, 2019, \$164,926,076 is available for project 15CQ002 from the following sources:

Fund No.	Fund Description	Source	Amount
8529	FY15 Capital Allocation	BART	197,246
802A-B	Measure RR GOB	BART	164,728,831
<b>Total</b>			<b>164,926,077</b>

BART has expended \$90,135,237, committed \$23,297,120, and reserved \$3,190,392 to-date for project 15CQ002. This Lease will commit \$1,766,929 leaving an available Project 15CQ002 fund balance of \$46,536,398.

**Project: 15EJRRI – 34.5 KV AC Cable Replacement -\$1,766,929**

As of October 7, 2019, \$71,073,601 is available for Project 15EJRR1 from the following source:



Fund No.	Fund Description	Source	Amount
802A-B	Measure RR GOB	BART	71,073,601
<b>Total</b>			<b>71,073,601</b>

BART has expended \$36,224,981, committed \$17,256,323, and reserved \$151,492 to-date for Project 15EJRR1. This action will commit \$1,766,929 leaving an available Project 15EJRR1 fund balance of \$15,673,876.

**Project: 15TC002 – Renewal of Tunnels & Structures-\$1,766,929**

As of October 7, 2019, \$84,058,613 is available for Project 15TC002 from the following sources:

Fund No.	Fund Description	Source	Amount
6814	SFMTA Muni	Local	294,230
802A-B	Measure RR GOB	BART	83,764,382
<b>Total</b>			<b>84,058,612</b>

BART has expended \$15,981,440, committed \$10,631,505, and reserved \$41,340 to-date for Project 15TC002. This action will commit \$1,766,929 leaving an available Project 15TC002



fund balance of \$55,637,399.

The office of Controller/Treasurer certifies that funds are currently available to meet this obligation.

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

**ALTERNATIVES:**

The Board can elect not to authorize the execution of the Lease agreement. If the District does not lease the employee work space at 2500 Bates Avenue, Concord, Staff will continue to search for another location to temporarily stage employees and store vehicles required for the Measure RR infrastructure renewal programs construction.

**RECOMMENDATION:**

Adoption of the following Motion.

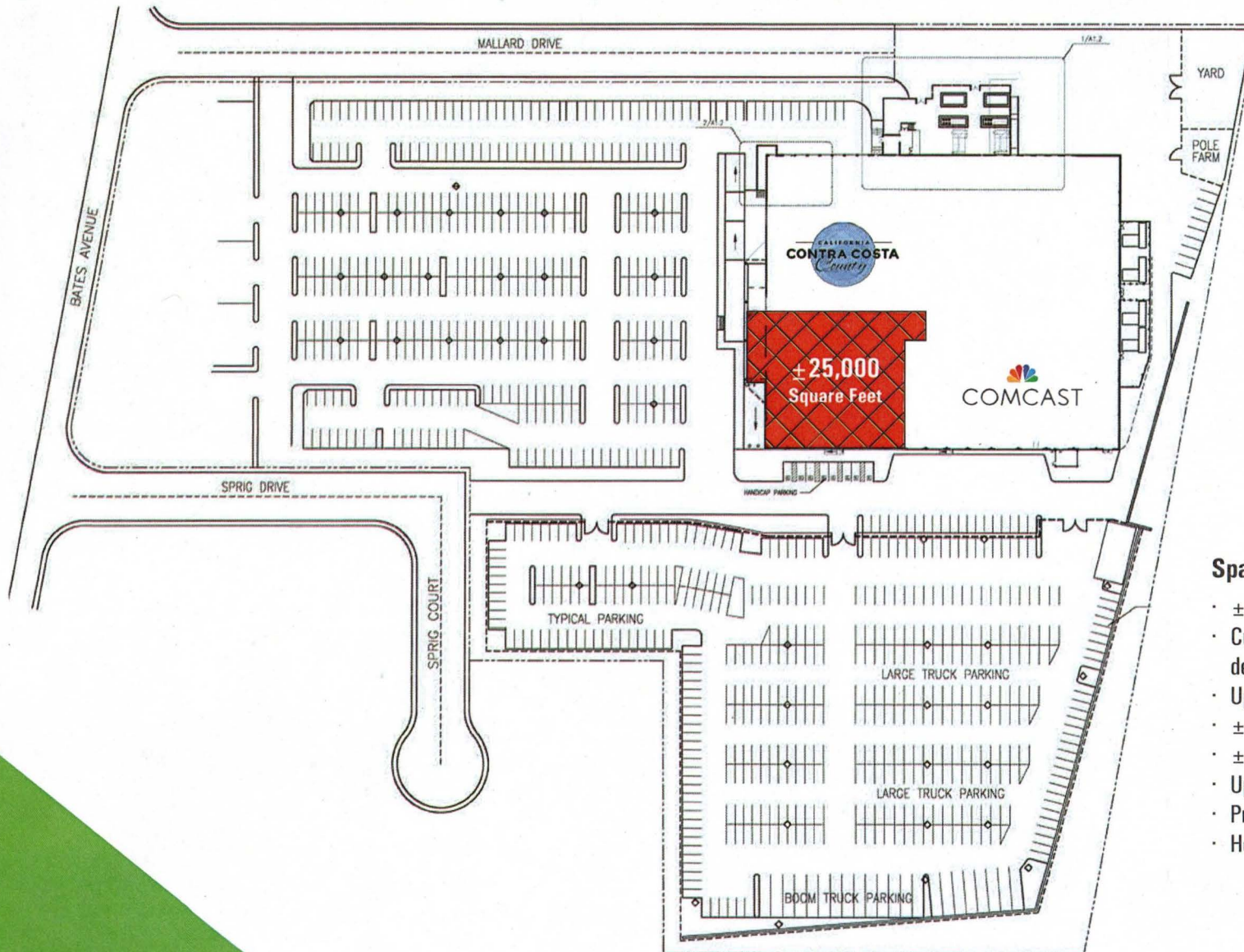
**MOTION:**

The General Manager, or his designee, is authorized to execute a Lease agreement with Merced Bar, LLC for approximately 25,000 square feet of employee work space at 2500 Bates Avenue, Concord for a ten-year term for a total base amount (excluding electricity, gas and water, which will be billed monthly), not to exceed \$5,300,787.89.



# SITE PLAN

**2500**  
BATES AVENUE  
CONCORD, CA



## Space Details

- $\pm 25,000$  SF of Total Space
- Currently 100% improved, but will demise with warehouse to suit
- Up to four (4) grade-level roll ups
- $\pm 24'$  minimum warehouse ceilings
- $\pm 14'$  high office ceilings
- Up to 4/1,000 SF parking
- Private parking possible
- Heavy power infrastructure