



**Staff Report Item 12**

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Nicolas Chaset, Chief Executive Officer  
**SUBJECT:** EBCE Office Space Lease  
**DATE:** March 20, 2019

---

**Recommendation**

Approve a Resolution authorizing the Chief Executive Officer to finalize and execute a sub-lease agreement for office space at 1999 Harrison St, Oakland California.

**Background**

At the January 16, 2019 EBCE Board of Directors meeting, EBCE staff brought a recommendation to enter into lease negotiations for a sublease at 1212 Broadway in Oakland, California. During the meeting, questions were raised by members of the Board of Directors about the seismic retrofit status of 1212 Broadway. In response to these questions, EBCE staff engaged a structural engineer to review the most recent seismic study for 1212 Broadway. The findings of the study did not find major seismic risks but did not that the building had not been seismically retrofitted.

Subsequently, EBCE staff re-focused the search for office space towards downtown Oakland subleases in buildings built or retrofitted within the last 20 years. Through this process, EBCE staff identified a 3-year sublease at 1999 Harrison St - a building built in 2003 to meet stringent seismic standards. Additionally, 1999 Harrison meets the criteria that EBCE staff applied to the initial search that resulted in the proposed 1212 Broadway sublease.

1. Walking distance to a BART station (1/4 quarter mile or less)
2. Class A or B office space able to accommodate 30 to 40 staff
3. Large enough conference room to host Community Advisory Committee, Executive Committee and Sub-Committee meetings
4. 2019 lease cost within EBCE's approved budget

The sublease would require the payment of an approximately \$41,200 security deposit, and payment of the following base sublease rents:

Period	Base Sublease Rent Per Month
--------	------------------------------

8/1/19 - 12/31/19	\$34,197.28
1/1/20 -12/31/20	\$35,223.20
1/1/21 -12/31/21	\$36,279.89
1/1/22 - 10/31/22	\$37,368.29

The premises are currently furnished, and the parties are still negotiating which items of furniture will remain onsite.

Based on these findings, it is the recommendation of Staff that the Board of Directors authorize the CEO to finalize negotiations and execute a sub-lease agreement of no more than 4 years at a base lease cost that does not exceed the values provided above.

**RESOLUTION NO. \_\_\_\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE EAST BAY COMMUNITY ENERGY AUTHORITY**  
**TO APPROVE A SUBLEASE WITH MECHANICS BANK FOR OFFICE SPACE**  
**ON THE 8TH FLOOR OF 1999 HARRISON STREET, OAKLAND CA**

**WHEREAS**, EBCE is currently in negotiations with Mechanics Bank to sublease office space on the 8th floor of 1999 Harrison Street in Oakland, CA.

**WHEREAS**, the Parties have come to terms regarding the payment of security deposit and rent, and the term of the sublease, as detailed in the Draft Sublease Agreement, attached and incorporated herein as Exhibit A.

**WHEREAS**, the Parties are continuing to negotiate certain non-substantive terms, such as the disposition of the furniture currently at the site.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

**Section 1.** The Chief Executive Officer is hereby authorized to finalize negotiations and execute a sublease for office space at 1999 Harrison Street, Oakland CA, with a term of no more than 4 years, pursuant to terms that are substantially similar to that provided in the Draft Sublease Agreement and has a base lease cost equal to the values in table 1.

Table 1 - Base Sublease Costs

Period	Base Sublease Rent Per Month
8/1/19 – 12/31/19	\$34,197.28
1/1/20 – 12/31/20	\$35,223.20
1/1/21 – 12/31/21	\$36,279.89
1/1/22 – 10/31/22	\$37,368.29

ADOPTED AND APPROVED this 20<sup>th</sup> day of March, 2019.

\_\_\_\_\_  
 Scott Haggerty, Chair

ATTEST:

\_\_\_\_\_  
 Stephanie Cabrera, Clerk of the Board