

**Bay Area Headquarters Authority  
BAHA**

**November 17, 2021**

**Agenda Item 2b - 21-1368**

**Commercial Lease Expansion-375 Beale Street, 1<sup>st</sup> Floor HUB: Bay Area Headquarters  
Authority-FasTrak® Regional Customer Service Center**

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**Subject:**

A request that the Authority authorize the Executive Director to negotiate and enter into an amendment to expand the lease agreement (the BATA Lease) with Bay Area Toll Authority (BATA) to include use of the first floor HUB as a temporary Walk-In Center for the FasTrak® Regional Customer Service Center (CSC).

**Background:**

The CSC is operated by Conduent State and Local Solutions, Inc. (Conduent) under a contract with BATA (the CSC Contract). Conduent currently operates the CSC at 375 Beale Street. BATA leases the CSC space from BAHA under the BATA Lease, and Conduent operates at Beale Street under license agreement with BATA. As part of its obligations under the CSC Contract, Conduent pays the lease payments to BATA. BATA has authorized a contract extension through March 2024.

The BATA Lease expires in November 2022. Currently, the BATA Lease includes the use of space on the second and third floors (Suites 200A and 300C) at 375 Beale Street, which includes a Walk-In Center on the second floor for in-person customer service. To reduce traffic to the second floor Walk-In Center, staff is recommending expansion of the lease agreement of the BATA Lease to include use of the HUB on the first floor as a temporary Walk-In Center Annex. We may extend the use of the HUB depending on the success or use changes to the space or similar.

This lease amendment if authorized, will expand the leased space to include the first floor HUB. The inclusion of the 629 square foot 1<sup>st</sup> floor HUB space will result in a cost increase of \$33,664.63, a breakdown of this cost increase is detailed below:

<b>Rental Period</b>	<b>1<sup>st</sup> Floor Hub Monthly Rent</b>	<b>Total Cost for Rental Period</b>
12/01/2021 to 02/28/2022	\$2,704.96	\$8,114.89
03/01/2022 to 11/30/2022	\$2,838.86	\$25,549.74

**Next Steps:**

Upon BAHA approval, BATA staff will request approval to expand Conduent's scope of work to include staff operations and rent payment of the temporary 1<sup>st</sup> floor Walk-In Center. This request will be made during BATA Oversight Committee meeting on December 8, 2021.

**Issues:**

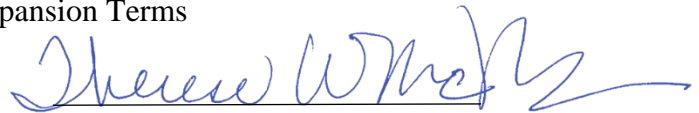
None identified.

**Recommendations:**

Staff requests the Authority to authorize the Executive Director or designee to enter a lease expansion between BATA and BAHA for a period of 1 year with the fiscal impact of \$33,664.63. The details of this recommendation are provided in Attachment A.

**Attachments:**

Attachment A: Summary of Proposed Lease Expansion Terms



Therese W. McMillan

## Attachment A

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### SUMMARY OF PROPOSED LEASE EXPANSION TERMS

Landlord:	Bay Area Headquarters Authority (“Landlord” or “BAHA”)
Tenant:	Bay Area Toll Authority (“Tenant” or “BATA”)
Use:	FasTrak® Customer Service Center
Space:	375 Beale Street, 1st Floor HUB: 629 Rentable Square Feet (RSF)
Brief Scope of Lease Amendment	BATA is requesting authorization to extend BATA’s current lease agreement with BAHA to include the HUB from December 2021- November 2022. The space will be sublet to Conduent to establish an additional temporary Walk-In Center to reduce traffic into the interior of the building.
Rent	\$33,664.63 Lease Cost 629 RSF for HUB
Fiscal Impact:	\$33,664.63
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a lease amendment with BAHA for the use of the HUB described above and in the Bay Area Headquarters Authority Summary Sheet dated November 17, 2021 and that the Chief Financial Officer is authorized to set aside \$33,664.63 for such lease space expansion.
Bay Area Headquarters Authority:	<hr/> Alfredo Pedroza, Chair
Approved:	November 17 <sup>th</sup> , 2021