





# Economic Model Report

**Response to Contra Costa County Office of Racial  
Equity and Social Justice (ORESJ) RFP – In partnership  
with Dr. Kerby Lynch of Ceres Policy Research**

December 2024

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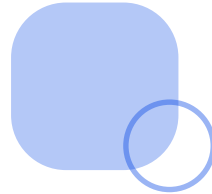


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# Context and Objectives

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## 01 Introduction

- This report is in response to 'Feasibility Study for an African American Holistic Wellness and Resource Hub in Contra Costa County' (RFP #2404-789) dated May 24, 2024.
- Ryan Drake-Lee, President & Founder of RDL Economics, Strategy & Operations Consulting LLC, who is a sub-contractor to Ceres Policy Research, providing business economics, feasibility study and economic operating modeling expertise.

## 02 Objectives and Scope:

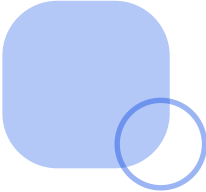
- The goal of this report is to provide recommendations to the CCC ORESJ for the ***economic operating model*** of the African American Holistic Wellness and Resource Hub (AAHWRH)



# CONTENT

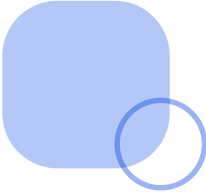
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# Economic Operating Model Development Methodology

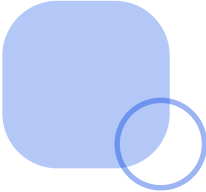
- 
- 1 Review and interpret overall goals and desired outcomes outlined by the [Office of Racial Equity and Social Justice \(ORESJ\) RFP](#) and [Implementation Plan of the Measure X Youth Center Study](#)
    - Review and assess feedback and input gathered from Ceres Policy Research team
  - 2
    - Listening sessions, [community surveys](#) and otherwise all community engagement activities
  - 3 Review and assess currently owned assets by Contra Costa County (i.e., select from list of assets in [District 3](#) and [District 5](#) provided by Eric Angstadt)
  - 4 Review and assess current tenant and current use of the building ; ability to relocate, consolidate or otherwise displace the existing building operating model

# Economic Operating Model Criteria

1 of 2

- 
- 1 Total cost to develop and operate the building for its intended use and purpose, i.e., one-time capital expenditures (CapEx) and on-going operating expenditures (OpEx)
  - 2 Initial CapEx budget allocation of \$7,500,000
  - 3 Sustainable funding model for on-going annual operating expenses, i.e., OpEx
  - 4 At least 10,000 square feet of usable space (i.e., existing building or undeveloped land to accommodate at least 10,000+ square feet of indoor usable space)
  - 5 Diverse mix of service providers, possibly including large non-profit organizations, community-based organizations, private healthcare providers, or government subsidized healthcare providers

# Additional Assumptions and Considerations

- 
- A Multi-year strategic plan and vision that aligns with the goals of ORESJ and the Measure X Implementation plan
  - B Time to operation is critical, i.e., a solution that takes 3-5 years to come to life is quite long given the acute need for services
  - C Long-term sustainability of the site, building, its operating footprint and potential for expansion of physical space and scope of services, i.e., temporary solutions in mobile trailers or similar, 'no-foundation' structures are de-prioritized
  - D Political implications of potential request(s) to relocate / move current occupant(s) / tenant(s) of county owned assets

# Site Selection Conclusions and Recommendations

Directional recommendation at this point are the following assets grouped into three (3) categories:

Category A: Turn-Key for intended use assets: Two (2)

1. *Government Sheriff's Building – asset #473 – 4559 Delta Fair Blvd, Antioch*
2. ***EHSD - Main Building - asset #613 - 1650 Cavallo Rd (Main Building), Antioch (New Addition)***

Category B: Existing Structure, renovation required for intended use assets: Three (3)

1. Antioch Veterans Hall - asset #284 - 406 W 6th street, Antioch
2. Brentwood Veterans Hall - asset #171 - 757 1st Street, Brentwood
3. Pittsburg Veterans Hall - asset #262 - 186 E. Leland Road, Pittsburg

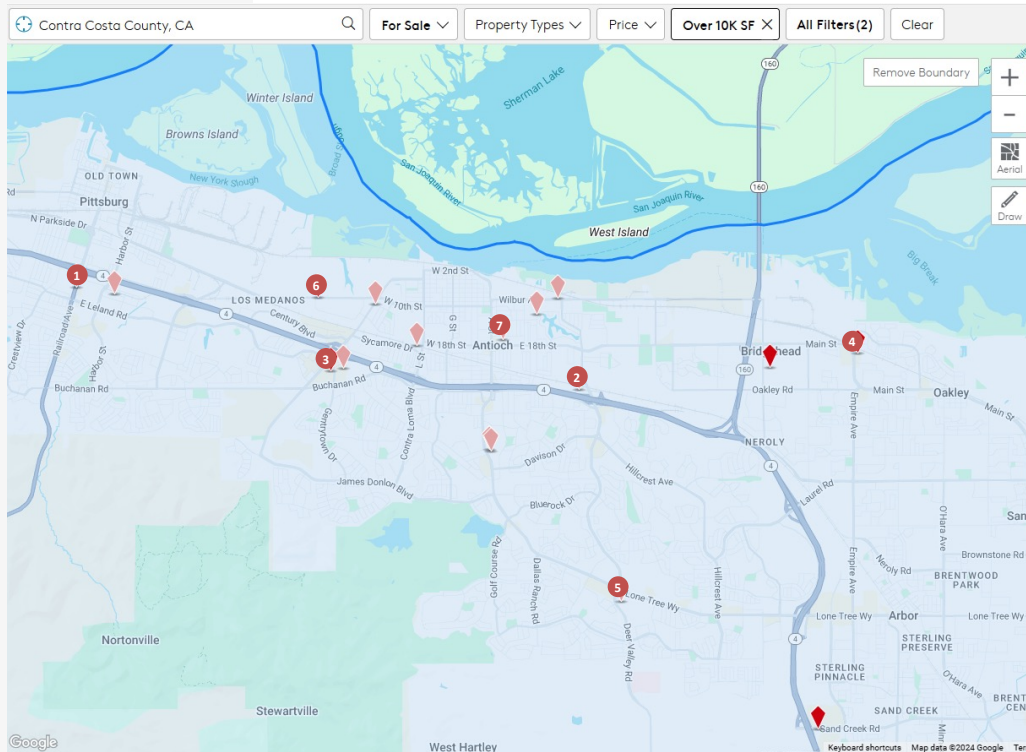
Category C: Undeveloped / greenfield land, construction required for intended use assets: Two (2)

1. Pacheco Community Center - asset #73& asset #15 - 5800 Pacheco Blvd, Pacheco/Antioch and adjacent vacant land
2. Undeveloped land adjacent to Headstart pre-school complex - assets

New  
recommendation



# Land Redevelopment Opportunities - Sample



## Commercial Properties & Land for Sale

- 1 661 Garcia Ave, Pittsburg - **\$3.5M**, 17,500 Sq. Ft. (Industrial)
- 2 1208-1214 Sunset Dr, Antioch - **\$4.95M**, 23,750 Sq. Ft. (Industrial)
- 3 2515 Somersville Road, Antioch - **\$4M**, 28,375 Sq. Ft. (Industrial)
- 4 2170 Main Street, Oakley - **\$4.83M**, 10,867 Sq. Ft. (Retail)
- 5 5201 Deer Valley Road, Antioch - **\$5.375M**, 24,638 Sq. Ft. (Office)
- 6 2701 W. 10<sup>th</sup> Street, Antioch - **\$2.921M**, 17,000 Sq. Ft. (Retail)
- 7 55 E 18<sup>th</sup> Street, Antioch - **\$2M**, 10,017 Sq. Ft. (Religious Facility)

**SAMPLE - NOT  
EXHAUSTIVE**

Source: Loopnet.com



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# AAHWRH needs a multi-year strategic vision and development plan

1

**Phase 1**  
**(Delivery in 6-12 months)**

Model to serve highest needs first through near-immediate mobile service vehicles, i.e.,

- Mental health therapists and preventative health screenings in specialized buses
- Consistent and published schedule of services and 'bus service routes'
- A website and mobile app that enables community digital access, engagement, scheduling, information gathering and mass communication

2

**Phase 2**  
**(Political action and capital planning)**

Continue Board of Supervisors work to further develop strategic plan and build political support and consensus around the budgeting model to support the facility's economic model for sustained operational success

3

**Phase 3**  
**(New Facility opens in 30-36 months)**




Open the AAHWRH with a robust, consensus driven economic operating model, including a multi-year vision and strategy to build up to the full menu of services in demand and needed by the target demographic constituents of the County

# Economic Operating Model Components and Stakeholders

FOR DISCUSSION







## Financial Components (i.e., Revenue models)

- A**  Government / Public Funding (e.g., annual allocations from County budgets)
- B**  Non-Profit Charitable Fundraising (e.g., charitable donations generated and secured through CBO fundraising activities)
- C**  Health insurance reimbursements (e.g., direct payments to qualified service providers in qualified facilities)



## Community Stakeholders (i.e., Service providers)

- A**  Non-Profit Community Based Organizations
- B**  Religious organizations
- C**  Private healthcare service providers (e.g., Kaiser Permanente, Sutter Health)
- D**  Public healthcare providers (e.g., Contra Cost County Department of Public Health, UCSF)

# Economic Operating Model Considerations

FOR DISCUSSION



## Potential Revenue Models

### Model #1

- County Operated and County Funded facility
  - Facility is owned by the county
  - Facility is operated by the county
  - Facility is fully funded by the county

- County has full control over operations and decision making

- Requires full long-term budget commitment
- Declines deeper partnership with CBOs

### Model #2

- County Operated and partially County Funded facility
  - Facility is owned by the county
  - Facility is operated by the county
  - Facility is partially funded by the county + rental income from service providers

- Shares financial responsibility with partners
- Enables County near-full control over operations and service delivery

- Relies on the financial strength of CBOs to provide critical services

### Model #3

- Independently operated and partially county funded facility
  - Facility is owned by the county
  - Facility is operated by an independent contractor as Master tenant / Executive Director / Property Manager
  - Majority of funding is fundraised through the Executive Director

- Shifts majority of operations responsibilities to contractors
- Shares financial responsibility with partners

- Relies on strength of independent contractor Leadership Team for overall successful execution of service delivery and budget sustainability

# Economic Operating Model Preliminary Recommendation

FOR DISCUSSION

## Economic Operating Model Recommendation: “Revenue from everywhere” model

### Go-to-Market Approach

- **Economic Operating Model #2**
- **Proposed sources of revenue (i.e., funding)**
  - County funding from annual budget allocations
  - Charitable donations and fundraising campaigns, e.g., UCSF or large corporate partners with a strategic focus on community public health issues and outcomes
  - Service provider lease income (lease income is generated from renting space to operate within the facility and deliver services; original source funding comes from CBOs fundraising and annual operating budgets)
  - Health insurance reimbursements for qualified services to individuals with some form of health insurance
- **Key stakeholder roles and responsibilities**
  - County is the facility owner, master tenant, property manager and executive director of the operations
  - Service providers include non-profit CBOs, private health providers, public health providers
  - An Executive Director role is required to install clear leadership and operational accountability (e.g., own the P/L of the facility)

## Comparable Facilities and Operating Models

- [San Francisco Southeast Community Center](#) - SF Sewer, Power and Water public facility; operates model #1
- [San Francisco Southeast Health Center](#) - SFDPH public facility – operates model #1
- [Booker T. Washington Community Service Center](#) - 501-c3 facility – operates model #3

# Sample #1: San Francisco Southeast Community Center



Facts, resources and spaces not photographed:

- Government funded facility and operating budget
- Services provided by the City of San Francisco and partnerships with community-based organizations, e.g.,
  - independently operated pre-school, Wu-Yee Preschool on 1st floor opposite the lobby / café, independently operated Cafe
- LEED Gold Certified Sustainable Building
- Outdoor enclosed playground for pre-schoolers
- Outdoor picnic space with bar-b-que grills, tables and benches



# Sample #1: San Francisco Southeast Community Center



## Main Entrance Plaza

(Approximately 40,000 square foot  
facility)

# Sample #1: San Francisco Southeast Community Center



Lobby & Cafe

# Sample #1: San Francisco Southeast Community Center



2<sup>nd</sup> floor  
Lounge and  
Co-working  
space

# Sample #1: San Francisco Southeast Community Center



2<sup>nd</sup> floor main  
hallway to  
meeting  
rooms and  
offices

# Sample #1: San Francisco Southeast Community Center



2<sup>nd</sup> Floor  
conference  
meeting  
spaces

# Sample #1: San Francisco Southeast Community Center



2<sup>nd</sup> Floor  
spaces and  
lounge  
meeting  
spaces

# Sample #1: San Francisco Southeast Community Center

2<sup>nd</sup> floor  
kitchen /  
catering prep  
room



# Sample #1: San Francisco Southeast Community Center



Large Multi-  
purpose space  
in separate  
building



# Sample #1: San Francisco Southeast Community Center



Outdoor  
space /  
Amphitheatre

# Sample #2: San Francisco Southeast Family Health Center



Facts, resources and spaces not photographed:

- Government funded and operating budget
  - Funded under the SF Department of Public Health
  - Healthcare certified facility
  - Public health insurance, e.g., Medi-Cal is accepted
- 2<sup>nd</sup> floor patient and treatment rooms offering:
  - Primary care, dental care, prenatal care, gynecology, podiatry, HIV/AIDS care
  - Psychosocial care, re-entry support, substance use treatment
  - Clinic pharmacist, Nutrition & Acupuncture

# Sample #2: San Francisco Southeast Family Health Center



Landing and  
main entrance

(Approximately 22,000  
square foot facility)

# Sample #2: San Francisco Southeast Family Health Center



Lobby &  
Patient  
Registration  
area

# Sample #2: San Francisco Southeast Family Health Center



Hallway to  
treatment  
rooms

# Sample #2: San Francisco Southeast Family Health Center



Treatment  
rooms /  
Shared Offices

# Sample #2: San Francisco Southeast Family Health Center



Large Multi-  
purpose room /  
cafeteria style  
ambiance

# Sample #3: San Francisco District 2 – Booker T. Washington Community Service Center 501-c3



Exterior  
façade –  
Presidio  
Avenue SF

(Approximately  
70,000 square foot  
facility)



## Sample #3: San Francisco District 2 – Booker T. Washington Community Service Center 501-c3



Facts, resources and spaces not photographed:

- Privately owned and Non-Profit operated and funded facility
- 50 Permanent Supportive Housing Units (All studios and 1BRs)
- On-site kitchen for community meals, nutrition and health programs
- Food distribution 2x weekly to community members and program participants (i.e., vegetable baskets)
- 2021: \$1.2M annual operating budget + 7 staff → 2024: \$7.2M annual operating budget + 30 staff
- Funding partnerships with UCSF, ***City and County of San Francisco*** and privately led fundraising programs

# Sample #3: San Francisco District 2 – Booker T. Washington Community Service Center 501-c3



Main entrance  
Foyer

# Sample #3: San Francisco District 2 – Booker T. Washington Community Service Center 501-c3



Hallway and  
Administrative  
Offices



# Sample #3: San Francisco District 2 – Booker T. Washington Community Service Center 501-c3



Community  
Programming  
Spaces

# Sample #3: San Francisco District 2 – Booker T. Washington Community Service Center 501-c3



Youth  
Programming  
Spaces (After-  
school  
programs)

# Sample #3: San Francisco District 2 – Booker T. Washington Community Service Center 501-c3



2nd Floor  
Basketball  
Court (High  
school game  
taking place)



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# Proposed Next Steps

## Questions for consideration:



### **Operational / Service Delivery**

- What services will be prioritized for delivery from this building from opening day? Implications of services provided will determine:
  - Building / space architectural and layout needs, particularly for CA healthcare regulations for health care services, e.g., basic preventative care screenings
  - Building / space operating economic business model, e.g., mix of public, private or insurance-based funding models



### **Strategic Planning / timeline for delivery, e.g., Grand Opening**

- Due to the fact there are no assets in recommendation *Category A: Turnkey for Intended Use*, a multi-year strategic plan needs to be developed
- What is the multi-year / multi-phase vision and plan for this initiative?
- Renovation and construction / development requires complex cross-departmental coordination which takes time and must follow government processes



### **Political implications and relational steps for re-purposing existing assets**

- What steps need to be taken for beginning that process?



### **Communication strategy and Community expectation setting**

- How will we communicate to our community members and sub-constituencies (e.g., elders, youth, justice system-impacted, unhoused, etc...) for setting expectations, marketing and promoting the services?





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# RDL Consulting

Ryan Drake-Lee has over 20 years of business and corporate strategy experience. Ryan developed his business and economics perspectives in various roles including **management consulting, industrial manufacturing corporate strategy** with a focus on **sales & marketing, digital program management** in the **adtech** ecosystem and **litigation support consulting** for complex Anti-Trust and Competition economic matters.

As an **Engagement Manager for McKinsey & Company** Ryan served multiple **Consumer Packaged Goods** clients in **Product Strategy** as well as **Frontline Operations**, with a focus on store operations for efficiency, maximizing value per square foot. Ryan also served clients in the **Oil & Gas industry** on **Organizational Design and Structuring** with a focus on operational risk and safety following a major environmental disaster in 2005.

Additionally, Ryan refined his executive business acumen as a **Global Program Manager at Google**, where he worked in a **Strategy & Operations** function in the mid-market Ads business of Google Customer Solutions, working cross-functionally globally to drive innovative **Go-to-Market strategies** for Google Sales Teams.

In addition to the above, Ryan has multiple years of experience as a **Principal at Keystone Strategy**, leading teams of **Litigation Support** consultants working at the direction of PhD level expert witnesses, at the request of external counsel on behalf of end clients pursuing litigation in Anti-Trust & Competition, complex Tax & Valuation, Intellectual Property and General Litigation matters.

Ryan earned **Bachelors' Degrees in both Economics and French Language from Morehouse College**. Ryan holds a **Masters in Business Administration (MBA) from the University of California at Berkeley, Haas School of Business**.

Lastly, Ryan has traveled to over 45 countries, touching all continents except for Antarctica, which has deeply influenced his global perspectives on businesses and people.

Ryan was born and raised in San Francisco, California, where he resides with his family.




**Ryan Drake-Lee**  
Founder &  
President






# THANK YOU

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