

375 Beale Condominium Corporation

November 8, 2022

Agenda Item 5 - 22- 1377

Property Management Agreement Auto-Renewal with Cushman & Wakefield of California, Inc.

Subject:

This is an informational memorandum advising the Board of staff's intention to allow the Property Management Agreement (PMA) between BAHA and Cushman & Wakefield of California, Inc. (CW) for property management services at the Bay Area Metro Center (BAMC) to automatically renew for the second of two five-year renewals, and to increase the Management Fee by an amount not to exceed \$1,220,000 over the extended term of July 1, 2023 through June 30, 2028.

Background:

CW was selected in January 2013 in response to a competitive procurement to assist BAHA with property management services, including building management, tenant services, building engineering, security, parking, and janitorial. Under the current contract CW is responsible for a full range of services including, but not limited to:

- Developing a plan for the management and operations of the facility (including parking) for approval by BAHA including a structure for assessing and allocating annual operating cost.
- Providing for the operation and maintenance of building equipment and systems including preventative maintenance, routine repairs, and capital improvements; and providing janitorial, security, building engineering, construction management and other services required in the ordinary course of managing and operating the building.
- Maintaining an on-site business office and being available 24 hours, 7 days a week for owner and tenant issues.
- Developing and maintaining the annual operating and capital budgets; completing financial accounting including the collection and reporting of all revenues received (i.e. rents, deposits and other related financial agreements); and providing assistance to support third party audit of financial records and tax returns, as required.

CW's Management Fee, which is exclusive of all direct operating expenses included in the annual BAHA budgets, is based upon CW's 2012 proposal:

Monthly Management Fee	Current Fee September 2022	Estimated Five (5) Year Total (2023-2028)
\$10,000 through development phase	\$19,104.84	\$1,220,000
\$12,500 @ 40% occupancy		
\$16,000 @ 80% occupancy		
3% per year increase thereafter		

The funds for this Auto-Renewal are subject to the approval of future BAHA operating budgets by the BAHA board.

Issues:

None identified.

Attachments:

None.

Denise Rodrigues

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