



# Bay Area Headquarters Authority

**Jake Mackenzie, Chair   Scott Haggerty, Vice Chair**

**Warren Slocum, Amy R. Worth**

### Board Room - 1st Floor

## 1. Roll Call/Confirm Quorum

## 2. Consent Calendar

- Printed on 6/22/2017

### 3. Authority Approval

**3a.**     [17-2648](#)     BAHA Resolution No. 19 - FY 2017-18 Capital and Operating Budgets

A request for the approval of BAHA Resolution No. 19, the FY 2017-18 Capital and Operating Budgets.

**Action:**             Authority Approval

**Presenter:**        Brian Mayhew

**Attachments:**     [3a BAHA Budget FY2017-18.pdf](#)

### 4. Information

**4a.**     [17-2649](#)     Bay Area Metro Center Status Report - June 2017

**Action:**             Information

**Presenter:**        Teri Green

**Attachments:**     [4a BAHA Status Report June'2017.pdf](#)

### 5. Public Comment / Other Business

### 6. Adjournment / Next Meeting

The next meeting of the Bay Area Headquarters Authority will be held on July 26, 2017 at the Bay Area Metro Center, 375 Beale Street, San Francisco CA 94105.

**Public Comment:** The public is encouraged to comment on agenda items at Authority meetings by completing a request-to-speak card (available from staff) and passing it to the Authority secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Authority may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Record of Meeting:** Authority meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site ([mtc.ca.gov](http://mtc.ca.gov)) for public review for at least one year.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

**Acceso y el Titulo VI:** La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

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Attachments are sent to Authority members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Authority. Actions recommended by staff are subject to change by the Authority.

## Legislation Details (With Text)

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**File #:** 17-2647      **Version:** 1      **Name:**  
**Type:** Minutes      **Status:** Consent  
**File created:** 5/17/2017      **In control:** Bay Area Headquarters Authority  
**On agenda:** 6/28/2017      **Final action:**  
**Title:** Minutes of the April 26, 2017 meeting  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [2a\\_04-26-2017\\_BAHA\\_Draft\\_Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Minutes of the April 26, 2017 meeting

**Recommended Action:**  
Authority Approval



Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105

## **Meeting Minutes**

### **Bay Area Headquarters Authority**

#### ***Authority Members:***

***Jake Mackenzie, Chair   Scott Haggerty, Vice Chair***

***Alfredo Pedroza, Federal D. Glover  
Warren Slocum, Amy R. Worth***

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**Wednesday, April 26, 2017**

**9:35 AM**

**Board Room - 1st Floor**

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#### **Call Meeting to Order**

##### **1. Roll Call/Confirm Quorum**

**Present:** 5 - Commissioner Glover, Vice Chair Haggerty, Chair Mackenzie, Commissioner Slocum and Commissioner Worth

**Absent:** 1 - Commissioner Pedroza

##### **2. Consent Calendar**

Approval of the Consent Calendar

**Upon the motion by Commissioner Worth and seconded by Vice Chair Haggerty, the Consent Calendar was approved by the following vote:**

**Aye:** 5 - Commissioner Glover, Vice Chair Haggerty, Chair Mackenzie, Commissioner Slocum and Commissioner Worth

**Absent:** 1 - Commissioner Pedroza

**2a.**     [17-2438](#)     Minutes of the March 22, 2017 meeting

**Action:** Authority Approval

### 3. Approval

- 3a. [17-2446](#) Contract - Construction Services: Metro Center Main Electrical Service Replacement, Pacific Gas and Electric Company (PG&E) (\$310,000 plus Owner's contingency of \$90,000)

A request to enter into a contract with PG&E for replacement of the Bay Area Metro Center's main electrical service.

**Action:** Authority Approval

**Presenter:** Andrew Fremier

Upon the motion by Commissioner Worth and the second by Commissioner Glover, the contract with PG&E was unanimously approved. The motion carried by the following vote:

**Aye:** 5 - Commissioner Glover, Vice Chair Haggerty, Chair Mackenzie, Commissioner Slocum and Commissioner Worth

**Absent:** 1 - Commissioner Pedroza

### 4. Public Comment / Other Business

### 5. Adjournment / Next Meeting

The next meeting of the Bay Area Headquarters Authority will be held on May 24, 2017 at the Bay Area Metro Center, 375 Beale Street, San Francisco CA 94105.

## Legislation Details (With Text)

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**File #:** 17-2658      **Version:** 1      **Name:**

**Type:** Contract      **Status:** Consent

**File created:** 5/25/2017      **In control:** Bay Area Headquarters Authority

**On agenda:** 6/28/2017      **Final action:**

**Title:** Contract - Computing Systems and Network Consulting Services: ConvergeOne (\$300,000)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [2b\\_Contract\\_ConvergeOne.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Contract - Computing Systems and Network Consulting Services: ConvergeOne (\$300,000)

**Presenter:**  
Valerie Campbell

**Recommended Action:**  
Authority Approval

## ***Memorandum***

### **Agenda Item 2b**

TO: Bay Area Headquarters Authority

DATE: June 21, 2017

FR: Deputy Executive Director, Operations

W. I. 9130

RE: Contract – Computing Systems and Network Consulting Services: ConvergeOne (\$300,000)

This item would authorize the Executive Director or his designee to negotiate and enter into a contract with ConvergeOne in an amount not to exceed \$300,000, to provide computing systems solutions and technical consulting services for the agency spaces for the Metropolitan Transportation Commission (MTC) and the San Francisco Bay Conservation and Development Commission (BCDC) on Level 5 of the Bay Area Metro Center.

### **Background**

The Bay Area Metro Center design includes agency shared technology such as Internet, WiFi, video conferencing, webcasting, and printing services. The design also includes technology for smart building systems, environmental controls, and security systems (access controls and closed circuit television). These technologies will need to be extended to the fifth floor as part of the buildout for MTC and BCDC.

The shared technology design is an interconnected and layered solution. This requires that the existing network, phone system, audio visual, WiFi, and building systems be designed to integrate fifth floor technology with the existing Bay Area Metro Center systems. The implemented Bay Area Metro Center technology solution utilizes Cisco Systems hardware for communications network, video conferencing, phone, and building systems backbone.

The ConvergeOne scope of work includes providing consulting services to analyze the existing Metro Center technology; design, configure, and implement network and computing solutions necessary to enable agency shared services and, building technology; and integrate the Level 5 MTC and BCDC tenant buildout.

ConvergeOne is an experienced technology solutions provider skilled in providing solutions analysis, solutions design, hardware, software, and services. Consulting services, computing systems, hardware, and software will be procured through the National Association of State Procurement Officials (NASPO) Intergovernmental Procurement Agreement, a collaborative intergovernmental procurement vehicle, which satisfies BAHA's procurement requirements. Cisco Systems is an approved NASPO vendor. ConvergeOne is a Cisco Certified Gold Partner and an authorized government reseller under the NASPO agreement. All estimated costs are within the BAHA FY 2016-2017 Capital Budget.

ConvergeOne is neither a small business nor a disadvantaged business enterprise and currently has no subcontractors.



**Recommendation**

Staff recommends that the Authority authorize the Executive Director or his designee to negotiate and enter into a contract with ConvergeOne in an amount not to exceed \$300,000 to provide technology solutions, computing systems and consulting services for the design and implementation of Level 5 technology and integration with the Bay Area Metro Center solution.

  
\_\_\_\_\_  
Andrew B. Premier

SH:vc

Attachment

J:\COMMITTEE\BAHA\2017\06 Jun'2017\_BAHA\2b\_Contract\_ConvergeOne\_Memo.docx

REQUEST FOR AUTHORITY APPROVAL  
Summary of Proposed Contract

Vendor:	ConvergeOne, Sacramento, CA
Work Project Title:	BAHA 5 <sup>th</sup> Floor Technology
Purpose of Project:	Technology Solutions, Network Enhancement, Technical Consulting Services.
Brief Scope of Work:	Analysis and design of technology solutions and enhancements to establish and integrate computing and network for Level 5
Project Cost Not to Exceed:	\$300,000
Funding Source:	BAHA FY 2016-17 Capital Budget
Fiscal Impact:	Funding is included in the BAHA FY 2016-17 Capital Budget
Motion by Authority:	That the Executive Director or his designee is authorized to negotiate and enter into a contract with ConvergeOne for services as described above and in the Deputy Executive Director's memorandum dated June 21, 2016, and the Treasurer and Auditor is directed to set aside funds in the amount of \$300,000 for such contract.
BAHA Chair:	<hr/> Jake Mackenzie
Approved:	Date: June 28, 2017

## Legislation Details (With Text)

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**File #:** 17-2664      **Version:** 1      **Name:**

**Type:** Report      **Status:** Consent

**File created:** 6/2/2017      **In control:** Bay Area Headquarters Authority

**On agenda:** 6/28/2017      **Final action:**

**Title:** BAHA Financial Statements for April 2017

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [2c\\_BAHA\\_Financial\\_Statements\\_April'2017.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
BAHA Financial Statements for April 2017

**Presenter:**  
Eva Sun

**Recommended Action:**  
Information



BAY AREA HEADQUARTERS AUTHORITY

Regional Agency Headquarters  
375 Beale Street, San Francisco, CA 94105

TEL 415.543.BAHA (2242)

EMAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)

WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

TO: Bay Area Headquarters Authority (BAHA)

DATE: June 21, 2017

FR: Deputy Executive Director, Operations

RE: BAHA Financial Statements for April 2017

Please find attached for receipt the BAHA financial statements for the ten month period ending April 30, 2017. Major Highlights of the ten months statement include:

- (1) Operating Revenues: Total year-to-date revenue is \$8.3 million or 82% of the budget to date. Assessment revenues is \$3.7 million with all agencies current on their assessment payments. Lease income of \$4.4 million is 80% of the budget to date. Parking income has not commenced as the equipment installation has not been completed.
- (2) Operating Expenses: Total operating expenses are at 64% of the budget. The expense is below budget mainly due to lower staff cost as work assignments have changed.
- (3) Capital Budget: Total capital budget is \$271 million. Life-to-date expenditures as of April is \$265 million with \$3 million encumbered that leaves a remaining budget balance of \$2.6 million. Please see Attachment A, page 5 for more details.
- (4) Commercial Development Budget: Total budget is \$21.5 million with \$10.3 million remaining in the budget. Please see Attachment A, page 6 for more details.

If there are any questions, please contact Eva Sun (415) 778-6795.

A handwritten signature in blue ink, appearing to read "Andrew B. Fremier", is positioned above a horizontal line.

Andrew B. Fremier

SH:es  
Attachment

**BAHA Building and Commercial Operations**  
**BAHA Operating Budget by Group**  
**As of April 30, 2017 (83% of Year)**

	<b>Adopted FY2016-</b>		<b>Budget Balance</b>		
	<b>17 Budget</b>	<b>Actual YTD</b>	<b>Over/(Under)</b>	<b>% of Budget</b>	<b>Encumbrance</b>
<b>Revenue:</b>					
Assessment fee - shared services	\$ 1,456,146	\$ 1,213,455	\$ (242,691)	83.3%	-
Assessment fee - common area	3,018,838	2,515,698	(503,140)	83.3%	-
Lease income	5,564,578	4,434,665	(1,129,913)	79.7%	-
Expense reimbursements	95,607	151,863	56,256	158.8%	-
Other - parking/antenna	57,600	2,400	(55,200)	4.2%	-
<b>Total operating revenue</b>	<b>10,192,769</b>	<b>8,318,081</b>	<b>(1,874,688)</b>	<b>81.6%</b>	<b>\$ -</b>
<b>Operating expenses:</b>					
Staff Cost					
Salaries and Benefits	1,686,365	504,397	(1,181,968)	29.9%	-
Overhead	720,530	257,573	(462,957)	35.7%	-
Temp staff - general services	-	110,193	110,193	-	2,416
<b>Total Staff Cost</b>	<b>2,406,895</b>	<b>872,163</b>	<b>(1,534,732)</b>	<b>36.2%</b>	<b>2,416</b>
Property Management - Building	2,254,623	1,761,573	(493,050)	78.1%	-
375 Beale Inc - Condo	3,672,838	2,719,471	(953,367)	74.0%	278,221
Admin	360,000	163,300	(196,700)	45.4%	-
<b>Total operating expense</b>	<b>8,694,356</b>	<b>5,516,506</b>	<b>(3,177,850)</b>	<b>63.4%</b>	<b>280,637</b>
<b>Operating surplus before depreciation</b>	<b>1,498,413</b>	<b>2,801,575</b>	<b>1,303,162</b>	<b>187.0%</b>	<b>280,637</b>
Depreciation	-	129,389	129,389	-	-
<b>Net Gain/(Loss)</b>	<b>\$ 1,498,413</b>	<b>\$ 2,672,186</b>	<b>\$ 1,173,773</b>	<b>178.3%</b>	<b>\$ 280,637</b>

**Property Management Operations**  
**As of April 30, 2017 (83% of Year)**

	<b>Adopted FY2016-17 Budget</b>	<b>Actual YTD</b>	<b>Budget Balance Over/(Under)</b>	<b>% of Budget</b>	<b>Encumbrance</b>
<b>Revenue:</b>					
Lease income	\$ 5,564,578	\$ 4,434,665	\$ (1,129,913)	79.7%	\$ -
Expense reimbursements	95,607	41,113	(54,494)	43.0%	-
Other - parking/Antenna	57,600	2,400	(55,200)	4.2%	-
<b>Total operating revenue</b>	<b>5,717,785</b>	<b>4,478,178</b>	<b>(1,239,607)</b>	<b>78.3%</b>	<b>-</b>
<b>Operating expenses:</b>					
Recapturable common area expenses	2,230,579	1,761,573	(469,006)	79.0%	-
Non - recapturable expenses	24,044	-	(24,044)	0.0%	-
<b>Total operating expenses</b>	<b>2,254,623</b>	<b>1,761,573</b>	<b>493,050</b>	<b>78.1%</b>	<b>-</b>
<b>Operating balance (before depreciation)</b>	<b>3,463,162</b>	<b>2,716,605</b>	<b>(746,557)</b>	<b>78.4%</b>	<b>-</b>
Depreciation	-	129,389	(129,389)	-	-
<b>Net Gain/(Loss)</b>	<b>\$ 3,463,162</b>	<b>\$ 2,587,217</b>	<b>\$ (875,945)</b>	<b>74.7%</b>	<b>\$ -</b>

**375 Beale Inc. Condo Operations**  
**As of April 30, 2017 (83% of Year)**

	<b>Adopted FY2016-17 Budget</b>	<b>Actual YTD</b>	<b>Budget Balance Over/(Under)</b>	<b>% of Budget</b>	<b>Encumbrance</b>
<b>Revenue:</b>					
Assessment fee - shared services	\$ 1,456,146	\$ 1,213,455	\$ (242,691)	83.3%	\$ -
Assessment fee - common area	3,018,838	2,515,698	(503,140)	83.3%	-
<b>Total operating revenue</b>	<b>4,474,984</b>	<b>3,729,153</b>	<b>(745,831)</b>	<b>83.3%</b>	<b>-</b>
<b>Operating expenses:</b>					
Salaries and Benefits	562,048	203,525	(358,523)	36.2%	-
Overhead	240,098	108,040	(132,058)	45.0%	-
Temp staff - general services	-	110,193	110,193	-	2,416
Comcast/Direct TV	6,000	-	(6,000)	0.0%	-
Postal Machine Lease	6,000	9,176	3,176	152.9%	16,081
Supplies/Signage/Copy Paper/Shredding	120,000	41,133	(78,867)	34.3%	31,465
Safety Equip. (AEDs, First Aid Kits)	40,000	38,043	(1,957)	95.1%	3,671
Recapturable common area expenses	2,505,910	1,852,651	(653,259)	73.9%	-
Recapturable SSO expenses	512,928	494,033	(18,895)	96.3%	-
Shuttle services	50,000	33,350	(16,650)	66.7%	16,650
IT licenses, maintenance	261,000	171,421	(89,579)	65.7%	145,800
Equip.Capital Expense	-	-	-	-	18,500
Contingency	25,000	-	(25,000)	0.0%	-
Communications	-	-	-	-	12,826
Coffee / Tea Service	96,000	79,664	(16,336)	83.0%	336
Insurance	50,000	-	(50,000)	0.0%	114
Other Exp./Misc. Expenses	-	-	-	-	32,777
<b>Total operating expenses</b>	<b>4,474,984</b>	<b>3,141,229</b>	<b>(1,333,755)</b>	<b>70.2%</b>	<b>280,637</b>
<b>Gain/(Loss)</b>	<b>\$ -</b>	<b>\$ 587,925</b>	<b>\$ 587,925</b>		<b>\$ 280,637</b>

**BAHA Admin Operations**  
**As of April 30, 2017 (83% of Year)**

	<b>Adopt FY2016-17 Budget</b>	<b>Actual YTD</b>	<b>Budget Balance Over/(Under)</b>	<b>% of Budget</b>	<b>Encumbrance</b>
<b>Revenue:</b>					
Expense reimbursements	\$ -	\$ 110,750	\$ 110,750	-	\$ -
<b>Total Operating Revenue</b>	<b>-</b>	<b>110,750</b>	<b>110,750</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses:</b>					
Salaries and Benefits	1,124,317	300,872	(823,445)	26.8%	-
Overhead	480,432	149,533	(330,899)	31.1%	-
IT licenses, maintenance	50,000	123,366	73,366	246.7%	-
Audit/tax prep	60,000	-	(60,000)	0.0%	-
Contingency	250,000	-	(250,000)	0.0%	-
Communications	-	3,288	3,288	-	-
Insurance	-	670	670	-	-
Other Exp./Misc. Expenses	-	35,976	35,976	-	-
<b>Total operating expenses</b>	<b>1,964,749</b>	<b>613,705</b>	<b>(1,351,044)</b>	<b>31.2%</b>	<b>-</b>
<b>Gain/(Loss)</b>	<b>(1,964,749)</b>	<b>(502,955)</b>	<b>1,461,794</b>	<b>25.6%</b>	<b>-</b>



BAHA Capital Fund LTD  
As Of April 2017

	BUDGET LTD	Actual LTD	Encumbrance	Total LTD	Budget Balance Over/(Under)	% of Budget
<b>Revenue:</b>						
Insurance Proceeds	\$ 311,738	\$ 311,738	\$ -	\$ 311,738	\$ -	100.0%
Transfer from MTC	801,160	867,692	-	867,692	66,532	108.3%
Transfer from SAFE	112,910	112,910	-	112,910	-	100.0%
Transfer from BATA	6,906,010	6,906,010	-	6,906,010	-	100.0%
ABAG Purchase	1,600,000	800,000	-	800,000	(800,000)	50.0%
Air District Purchase	34,000,000	-	-	-	(34,000,000)	0.0%
Air District Reimbursement	500,000	-	-	-	(500,000)	0.0%
PG&E Reimbursement	64,154	-	-	-	(64,154)	0.0%
TFCA Grant	151,000	-	-	-	(151,000)	0.0%
Local Match - MTC	119,000	-	-	-	(119,000)	0.0%
Local Match - Air District	150,000	-	-	-	(150,000)	0.0%
SPANs Savings	33,000,000	33,000,000	-	33,000,000	-	100.0%
Capital Contribution - BATA	193,310,846	223,310,846	-	223,310,846	30,000,000	115.5%
Interest	-	53,722	-	53,722	53,722	-
Reimbursement - Capital	-	958,024	-	958,024	958,024	-
Miscellaneous	-	1,164	-	1,164	1,164	-
<b>Total Revenue</b>	<b>\$ 271,026,818</b>	<b>\$ 266,322,106</b>	<b>\$ -</b>	<b>\$ 266,322,106</b>	<b>\$ (4,704,712)</b>	<b>-</b>
<b>Expense:</b>						
Purchase Building	\$ 93,000,000	\$ 93,000,000	\$ -	\$ 93,000,000	\$ -	100.0%
Building Development	137,973,343	135,038,800	2,934,543	137,973,343	-	97.9%
Insurance	-	575,885	-	575,885	575,885	-
Development Contingency	18,824,538	16,603,454	-	16,603,454	(2,221,084)	88.2%
Furniture, Fixtures & Equipment	15,000,000	12,954,594	215,315	13,169,909	(1,830,091)	86.4%
Backup Generator and 12V Feed	1,000,000	-	23,714	23,714	(976,286)	0.0%
Staff Costs	5,228,937	7,086,199	-	7,086,199	1,857,262	135.5%
<b>Total Expense</b>	<b>\$ 271,026,818</b>	<b>\$ 265,258,932</b>	<b>\$ 3,173,572</b>	<b>\$ 268,432,504</b>	<b>\$ (2,594,314)</b>	
<b>Project Balance</b>	<b>\$ -</b>	<b>\$ 1,063,174</b>	<b>\$ (3,173,572)</b>	<b>\$ (2,110,398)</b>	<b>\$ (2,110,398)</b>	

		BAHA Commercial Development Fund Life To Date As of April 2017					
Program #	Budget	Building Budget	Commission Budget	Total Budget	Total LTD	Budget Balance Over/(Under)	
	Revenue						
	Sales Proceeds	\$ 22,139,154	\$ -	\$ 22,139,154	\$ 22,139,154	\$ -	
	Tennant Improvements						
9135	Rutherford and Chekene	\$ 1,112,749	\$ 123,181	\$ 1,235,930	\$ 1,235,930	\$ (0)	
9136	Conduent	-	110,975	110,975	110,975	-	
9137	Degenkolb	1,834,671	452,740	2,287,411	1,712,001	(575,410)	
9138	Twilio	8,338,957	1,836,460	10,175,417	7,665,371	(2,510,046)	
9139	Const Contingency	525,000	-	525,000	-	(525,000)	
9140	Ada's Café	455,000	-	455,000	405,010	(49,990)	
9141	BCDC	5,000,000	80,000	5,080,000	-	(5,080,000)	
9142	Cubic	450,000	44,000	494,000	-	(494,000)	
	Total Tenant Improvements	17,716,377	2,647,356	20,363,733	11,129,287	(9,234,446)	
9139	Engineering/Architectural	150,000	-	150,000	-	(150,000)	
	Marketing	83,500	-	83,500	17,065	(66,435)	
	Building Improvements	890,000	-	890,000	-	(890,000)	
	Total Budgeted CDF Expenses	\$ 18,839,877	\$ 2,647,356	\$ 21,487,233	\$ 11,146,352	\$ (10,340,881)	
	Project Balance	\$ 3,299,277	\$ (2,647,356)	\$ 651,921	\$ 10,992,802	\$ 10,340,881	

## Legislation Details (With Text)

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**File #:** 17-2648      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Authority Approval  
**File created:** 5/17/2017      **In control:** Bay Area Headquarters Authority  
**On agenda:** 6/28/2017      **Final action:**  
**Title:** BAHA Resolution No. 19 - FY 2017-18 Capital and Operating Budgets

A request for the approval of BAHA Resolution No. 19, the FY 2017-18 Capital and Operating Budgets.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [3a\\_BAHA\\_Budget\\_FY2017-18.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

BAHA Resolution No. 19 - FY 2017-18 Capital and Operating Budgets

*A request for the approval of BAHA Resolution No. 19, the FY 2017-18 Capital and Operating Budgets.*

**Presenter:**

Brian Mayhew

**Recommended Action:**

Authority Approval

## ***Memorandum***

## **Agenda Item 3a**

TO: Bay Area Headquarters Authority (BAHA)

DATE: June 21, 2017

FR: Deputy Executive Director, Operations

W.I.: 9130

RE: BAHA Resolution No.19: FY 2017-18 Capital and Operating Budgets

Staff requests approval of BAHA Resolution No. 19 authorizing the Capital and Operating budgets for FY 2017-18.

FY 2017-18 will represent the second year of BAHA Operations. While fully operational we are not yet fully occupied or completely done with construction. The FY 2017-18 budget assumes a full year of rent from existing tenants and a continuing vacancy for the larger retail space on the first floor. Lease income from Cubic Transportation Systems, Inc. (Cubic) and the San Francisco Bay Conservation and Development Commission (BCDC) will be added during FY 2017-18 when move in is complete.

### **Operating Budget**

- The budget forecasts BAHA's operating income of \$13.6 million, operating expenses of \$9.7 million and an operating surplus of \$3.9 million, before depreciation of \$6 million.

#### **Revenue:**

- The overall revenue budget will increase by \$3.4 million (Attachment A, page 1).
- The increase in lease income is due to a full year's rent from Twilio, and Degenkolb Engineers.
- Once the BCDC and Cubic leases are finalized, the lease revenue will be amended into the budget.
- Assessment fee – shared services. BAHA, ABAG and the Air District will contribute their proportional share of the shared service costs such as office supplies and shared printers (Attachment A, page 3). The cost increased by \$200,000 from the prior year mainly due to new IT service contracts replacing the original expired warranties.
- Assessment fee – common area. BAHA, ABAG and the Air District will contribute their proportional share of the building common area (Attachment A, page 3). The amount increased by \$625,000 and this mainly attributable to (1) higher security costs, (2) an additional journeyman for maintenance, a 3% increase in the building engineering contract, and (3) an increase in cleaning costs due to higher occupancy.
- Parking services will be provided for agency pool cars, commercial tenants, and limited visitor parking. The budget will not include parking income until the equipment is operational in FY 2018.

Expense:

- The overall expense budget before depreciation increased from \$8.7 million to \$9.7 million (Attachment A, page 1).
- Salaries, benefits, and associated overhead decreased by \$635,000 with the reduction in construction and move in costs.
- As property manager, Cushman & Wakefield of California, Inc. (Cushman & Wakefield) will receive approximately \$6.7 million for all building operations, including administration of HVAC, janitorial, security, landscaping, window washing and parking garage operations. The cost is higher by \$1.4 million due to additional building engineers, an additional day porter, and higher security costs.
- IT services increased by \$317,000 mainly due to new IT service contracts replacing the expired warranties.

**Capital Budget**

- The total capital budget (Attachment A, page 4), FY 2017-18 changed from \$271 million to \$272 million. The \$1 million increase is from the insurance reimbursement for the power outage that occurred in FY 2015-16.

<b><u>Sources</u></b>	<b><u>\$ millions</u></b>
BATA toll contribution	\$193.3
SPANs debt savings	33.0
Purchase from Air District	34.0
Insurance proceeds	1.3
Purchase from ABAG	1.6
BATA/MTC/SAFE transfers	7.8
TFCA grant and local match	0.4
Reimbursement Air District/PG&E	0.6
Life-to-date project budget	\$272.0
<b><u>Uses</u></b>	
Building Purchase	\$93.0
Building Development	172.6
Staff Costs	5.4
Capital Equipment	1.0
Life-to-date uses	\$272.0
Life-to-date expense & Encumbrance	\$268.4
Project Balance	\$3.6

- Project expenditures, including contracts currently encumbered, total \$268.4 million. The remaining balance of \$3.6 million is committed to completing the outstanding open construction items and replacement of a backup generator. One half-staff person is included in the capital budget to monitor tenant improvements, leases and outstanding construction items. (Attachment A, page 4).
- The FY 2017-18 BAHA Commercial Development Fund (Attachment A, page 5) accounts for the tenant improvement allowances, commissions and marketing expenses associated with tenant leases. The total budgeted expense is \$20.5 million; with \$11.1 million expended through March 2017. Most of the remaining budget balance of \$9.4 million is committed to BCDC and Cubic tenant improvements as well as final payments to Twilio and Degenkolb Engineers. We expect BCDC and Cubic to move in during the FY 2017-18 year.

Overall, the budget produces a slight operating balance in only the second year of operation while BAHA retains the funding necessary to complete existing capital projects, tenant improvements and building maintenance.

**Recommendation:**

Staff recommends approval of the BAHA Capital and Operating Budgets for FY 2017-18, BAHA Resolution No. 19.



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Andrew B. Fremier

SH:bm  
Attachment

Date: June 28, 2017  
W.I.: 9130

ABSTRACT

BAHA Resolution No. 19

This resolution approves the Budget for FY 2017-18 for the Bay Area Headquarters Authority (BAHA).

Discussion of this Resolution can be found in the Executive Director's Memorandum to BAHA dated June 14, 2017.

Date: June 28, 2017

W.I.: 9130

Re: Bay Area Headquarters Authority Capital and Operating Budgets for FY 2017-18

BAY AREA HEADQUARTERS AUTHORITY  
RESOLUTION No. 19

WHEREAS, the Metropolitan Transportation Commission (“MTC”) and the Bay Area Toll Authority (“BATA”) have executed a joint exercise of powers agreement dated September 28, 2011 which creates and establishes the Bay Area Headquarters Authority (“BAHA”): and

WHEREAS, the BAHA staff has prepared a proposed capital and operating budget setting forth the anticipated revenues and expenditures of BAHA for FY 2017-18 according to generally accepted accounting principles; now, therefore, be it

RESOLVED, that BAHA approves the FY 2017-18 capital and operating budget (the “BAHA Budget”) as set forth in Attachment A to this Resolution; and, be it further

RESOLVED, that the Executive Director or designee may approve adjustments among line items in the BAHA Budget for FY 2017-18, provided that there shall be no increase in the overall BAHA Budget without prior approval of BAHA; and, be it further

RESOLVED, that the Executive Director or designee shall submit written requests to BAHA for approval of consultants, professional services, and expenditures authorized in the BAHA Budget for FY 2017-18; and be it further

RESOLVED, that the Executive Director and Treasurer and Auditor are authorized to carry over and re-budget all funds and contracts properly budgeted in the prior year for which expenditures were budgeted and encumbered and which will take place in FY 2017-18; and, be it further



RESOLVED, that the BAHA staff shall furnish BAHA with at minimum, at least quarterly, a financial report to reflect budgeted and actual income, expenditures, obligations for professional and consultant services, and such other information and data as may be requested by BAHA.

BAY AREA HEADQUARTERS AUTHORITY

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Jake Mackenzie, Chair

The above resolution was entered into by the  
Bay Area Headquarters Authority at a regular meeting  
of the Authority held in San Francisco, California,  
on June 28, 2017.

Date: June 28, 2017

W.I.: 9130

Attachment A

BAHA Resolution No. 19

FY 2017-18 BAHA Budget

**BAHA Building and Commercial Operatings Budget FY2017-18**

	Adopted Budget FY2016-17	Original Budget FY2017-18	Percent Change	Change in \$ inc (dec)
Revenue:				
Assessment fee - shared services	\$ 1,456,146	\$ 1,655,699	13.7%	\$ 199,553
Assessment fee - common area	3,018,838	3,643,476	20.7%	624,638
Lease income	5,564,578	8,006,770	43.9%	2,442,192
Expense reimbursements	95,607	277,470	190.2%	181,863
Utility reimbursements	57,600	60,000	4.2%	2,400
Total operating income	10,192,769	13,643,415	33.9%	3,450,646
Operating expenses:				
Salaries and Benefits	1,686,365	1,215,096	-27.9%	(471,269)
Overhead	720,530	556,315	-22.8%	(164,215)
Postage meter and Comcast/Direct TV	12,000	12,000	0.0%	-
Supplies	256,000	256,000	0.0%	-
Other expenses	24,044	746,334	3004.0%	722,290
Contractual services	5,249,417	5,912,124	12.6%	662,707
Shuttle services	50,000	-	-100.0%	(50,000)
IT licenses, maintenance	311,000	627,977	101.9%	316,977
Audit/tax prep	60,000	60,000	0.0%	-
Contingency	275,000	275,000	0.0%	-
Insurance	50,000	10,000	-80.0%	(40,000)
Catering	-	5,000	100.0%	5,000
Special Event Setups	-	50,000	100.0%	50,000
Total expense before depreciation	8,694,356	9,725,845	11.9%	1,031,489
Operating surplus before depreciation	1,498,413	3,917,570	161.4%	2,419,157
Depreciation	-	6,060,590	100.0%	6,060,590
Total operating gain (loss)	\$ 1,498,413	\$ (2,143,020)	-243.0%	\$ (3,641,433)

**BAHA Building and Commercial Operations Budget FY2017-18**

	Building and Commercial Operations- CW	Condo and Shared Services	BAHA Operating	Total BAHA Operating
Revenue:				
Assessment fee - shared services	\$ -	\$ 1,655,699	\$ -	\$ 1,655,699
Assessment fee - common area	-	3,643,476	-	3,643,476
Lease income	8,006,770	-	-	8,006,770
Expense reimbursements	156,470	-	121,000	277,470
Utility reimbursements	60,000	-	-	60,000
Total operating income	8,223,240	5,299,175	121,000	13,643,415
Operating expenses:				
Salaries and Benefits	-	576,692	638,404	1,215,096
Overhead	-	264,030	292,284	556,315
Postage meter and Comcast/Direct TV	-	12,000	-	12,000
Supplies	-	256,000	-	256,000
Other expenses	746,334	-	-	746,334
Contractual services	2,043,648	3,643,476	225,000	5,912,124
IT licenses, maintenance	-	456,977	171,000	627,977
Audit/tax prep	-	-	60,000	60,000
Contingency	-	25,000	250,000	275,000
Insurance	-	10,000	-	10,000
Catering	-	5,000	-	5,000
Special Event Setups	-	50,000	-	50,000
Total expense before depreciation	2,789,982	5,299,175	1,636,688	9,725,845
Operating surplus before depreciation	5,433,258	-	(1,515,688)	3,917,570
Depreciation	1,460,590	-	4,600,000	6,060,590
Total operating gain (loss)	\$ 3,972,668	\$ -	\$ (6,115,688)	\$ (2,143,020)

**Distribution of Condo Area Fees****FY 2017-18**

	Common Area	Shared Services	Total
BAAQMD	\$ 1,444,218	\$ 656,294	\$ 2,100,511
ABAG	174,567	150,433	325,000
MTC	2,024,691	848,972	2,873,664
Total	<u>\$ 3,643,476</u>	<u>\$ 1,655,699</u>	<u>\$ 5,299,175</u>

**FY 2016-17**

BAAQMD	\$ 1,237,723	\$ 604,220	\$ 1,841,943
ABAG	203,909	110,091	314,000
MTC	1,577,206	741,835	2,319,041
Total	<u>\$ 3,018,838</u>	<u>\$ 1,456,146</u>	<u>\$ 4,474,984</u>

<b>BAHA Capital Budget FY 2017-18</b>	<b>LTD Budget Thru FY2016-17</b>	<b>Total Budget FY2017-18</b>	<b>Total LTD Budget Thru FY2017-18</b>
<b>Sources</b>			
Insurance proceeds	\$ 311,738	\$ 972,719	\$ 1,284,457
Transfer in from MTC	801,160	-	801,160
Transfer in from SAFE	112,910	-	112,910
Transfer in from BATA	6,906,010	-	6,906,010
Purchase from ABAG	1,600,000	-	1,600,000
Purchase from Air District	34,000,000	-	34,000,000
Reimbursement from Air District	500,000	-	500,000
Reimbursement from PG&E	64,154	(9,553)	54,601
TFCA Grant	151,000	-	151,000
Grant Local Match from MTC/BATA	119,000	-	119,000
Grant Local Match from Air District	150,000	-	150,000
SPANs savings	33,000,000	-	33,000,000
Capital Contribution (BATA)	193,310,846	-	193,310,846
<b>Total Transfer In</b>	<b>271,026,818</b>	<b>963,166</b>	<b>271,989,984</b>
<b>Uses</b>			
Purchase Building	\$ 93,000,000	\$ -	\$ 93,000,000
Building Development	137,973,343	803,990	138,777,333
Development Contingency	18,824,538	-	18,824,538
Furniture, Fixtures, Equipment	15,000,000	-	15,000,000
Backup Generator and 12V Feed	1,000,000	-	1,000,000
Staff Costs	5,228,937	159,176	5,388,113
<b>Total Usage</b>	<b>271,026,818</b>	<b>963,166</b>	<b>271,989,984</b>
LTD Actual and Encumbrances as of April 2017			268,432,504
Remining Balance			\$ 3,557,480

BAHA Commercial Development Fund Life To Date FY 2017-18						
Program #	Budget	Tenant Improvements	Commissions	Total	LTD Expense - 4/30/2017	Budget Balance
	Sales Proceeds			\$ 22,139,154		
9135	T.I. Rutherford and Chekene	\$ 1,112,749	\$ 123,181	\$ 1,235,930	\$ 1,235,930	\$ -
9136	Conduent (Xerox)	-	110,975	110,975	110,975	-
9137	T.I. Degenkolb	1,834,670	452,740	2,287,410	1,712,001	575,409
9138	T.I. Twilio	8,338,957	1,836,460	10,175,417	7,665,371	2,510,046
9139	Construction contingency TIs	170,000	-	170,000	-	170,000
9139	Engineering/Architectural	150,000	-	150,000	-	150,000
9140	T.I. Ada's Café	810,000	-	810,000	405,010	404,990
9141	BCDC	5,080,000	-	5,080,000	33,577	5,046,423
9142	Cubic	450,000	44,000	494,000	-	494,000
	Total Tenant Improvements	\$ 17,946,376	\$ 2,567,356	\$ 20,513,732	\$ 11,162,864	\$ 9,350,868
	Marketing			\$ 83,500	\$ 17,065	\$ 66,435
	Building Improvements			\$ 890,000		\$ 890,000
	Net			651,922		

## Legislation Details (With Text)

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**File #:** 17-2649      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Informational  
**File created:** 5/17/2017      **In control:** Bay Area Headquarters Authority  
**On agenda:** 6/28/2017      **Final action:**  
**Title:** Bay Area Metro Center Status Report - June 2017  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [4a\\_BAHA\\_Status\\_Report\\_June'2017.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Bay Area Metro Center Status Report - June 2017

**Presenter:**  
Teri Green

**Recommended Action:**  
Information



**BAY AREA HEADQUARTERS AUTHORITY**

Regional Agency Headquarters  
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***Memorandum*****Agenda Item 4a**

TO: Bay Area Headquarters Authority

DATE: June 21, 2017

FR: Deputy Executive Director, Operations

W. I. 9130

RE: **Bay Area Metro Center Status Report – June 2017**

**1. Construction Update**

In April, BAHA completed electrical inspections of all the new building electrical distribution equipment installed by McCarthy as part of the base building construction. Previously, in 2016, after the bus duct failure, BAHA inspected all existing equipment that predated the building purchase. The result is the building's electrical distribution system has a clean bill of health.

**2. Streetscape/Rincon Place**

Tishman Speyer continues work on Rincon Place and the streetscape surrounding the Metro Center. Landscaping, concrete pavers, and some site furnishings were installed in May. Tishman Speyer continues to project Rincon Place to be completed in June. Streetscape work along Beale, Main, and Harrison Streets, but continues at a very slow pace. Work on Main Street did not progress in April, but recommenced in late May with grading and installation of forms for curbs and gutters. Staff estimates several months of work remains and has requested an updated schedule.

**3. San Francisco Bay Conservation and Development Commission (BCDC) Relocation**

BAHA received notification that the the Governor did not authorize BCDC's relocation to the Bay Area Metro Center as part of the FY 2017-18 State Budget. The State seeks to maintain zero vacancies in state owned buildings. BCDC's relocation was contingent upon another state agency obtaining approval to backfill the offices that BCDC proposed to vacate. The Department of Justice sought approval for the backfill but was not successful in their bid. BAHA will continue to work with BCDC on its bid to relocate.

With regards to the tenant improvement project, BAHA submitted drawings to the Office of the State Fire Marshall (OSFM) for review on April 20 and received initial comments on May 24. The architect and contractor are working on revisions and plan to resubmit the drawings to OSFM on June 7. The schedule assumed construction would begin in early May and be completed in September, allowing occupancy in October. The project schedule will be impacted by the delay in getting permitted drawings.

Staff recommends proceeding with the improvements for the entire 5th floor space since the project includes accommodations for MTC's Information Technology and the San Francisco Bay Estuary staff. Demand for space within the building is increasing; therefore, BAHA will review options to

either retain the BCDC space for expansion purposes or to lease out to another agency or tenant. We will provide an update on the project schedule and BCDC's relocation efforts in July.

#### 4. Parking Garage Infrastructure

All hardware except for the payment kiosk and Automatic Vehicle Identification (AVI) readers and signage are installed. Payment processing software setup and testing are under way. Staff expects the new system will be operational in July or August. The agency representatives are working with Cushman & Wakefield of California, Inc. (Cushman & Wakefield) on the operational plan including issuance of AVI hangtags to all agency board members, to tenants with monthly parking and for agency fleet vehicles.

#### 5. Electric Vehicle (EV) Charging Stations

The first four EV charging stations are scheduled to be installed during the month of June using electrical infrastructure already in place. These charging stations will be reserved for agency fleet electric vehicles and Commissioner use until the remaining charging stations are installed. In total, 21 Level 2 (240V) dual port and one DC Fast (440v) EV charging stations will be installed. An IFB for additional work required for the electrical infrastructure will be advertised in June, which would allow work to be completed by September. Once the total capital and operating costs are known, staff will analyze a possible user payment schedule and will present its findings to BAHA.

#### 6. 375 Beale Street Condominium Update

The exchange of ABAG's Oakland MetroCenter property for a 375 Beale condominium interest closed escrow on May 10. The sale of the condominium interest to the Air District closed on June 1<sup>st</sup>. The first meeting of the new condominium board will be held on June 27 and includes adoption of the Articles of Incorporation, By-Law, Building Rules, appointment of Officers, and adoption of the various policies including Conflict of Interest, Procurement, and Privacy.

Ownership interest in the Bay Area Metro Center is shown below:

Total Facility RSF	BAHA Unit 1 Commercial	BAHA Unit 2	Air District Unit 3	ABAG Unit 4	Total
Rentable Square Feet	299,360	99,817	77,163	17,687	494,027
Building Wide Ownership	60.60%	20.20%	15.62%	3.58%	100%
Agency Space Ownership	n/a	51.28%	39.64%	9.09%	100%

The agreement to sell the combined MTC and ABAG ownership of the Oakland MetroCenter property to BART is expected to close escrow on June 22 and will generate an additional \$19.8 million.

  
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Andrew B. Fremier

SH:tg