



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

Meeting Agenda

Bay Area Headquarters Authority

Authority Members:

Jake Mackenzie, Chair Scott Haggerty, Vice Chair

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

Wednesday, September 26, 2018

9:30 AM

Board Room - 1st Floor

This meeting is scheduled to be webcast live on the Metropolitan Transportation Commission's Web site: <http://mtc.ca.gov/whats-happening/meetings> and will take place at 9:30 a.m.

1. Roll Call/Confirm Quorum

Quorum: A quorum of this Authority shall be a majority of its regular voting members (4).

2. Pledge of Allegiance

3. Compensation Announcement

4. Consent Calendar

- 4a. [18-0702](#) Minutes of the July 25, 2018 meeting
- Action: Authority Approval
- Attachments: [4a 07-25-2018_BAHA_Draft_Minutes.pdf](#)
-
- 4b. [18-0708](#) Contract Amendment - Webcasting, Agenda Management and Audio Visual Services: Network Television Time, Inc. (\$300,000)
- Action: Authority Approval
- Presenter: Nick Roethel
- Attachments: [4b_ContractAmend_NetworkTelevisionTimeInc.pdf](#)
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- 4c. [18-0703](#) Fourth Quarter Unaudited BAHAFinancial Statements - June 2018
- Action: Information
- Presenter: Brian Mayhew
- Attachments: [4c_BAHAFY2017-18FinancialStatements\(Unaudited\).pdf](#)

5. Authority Approval

5a. [18-0804](#) Lease Agreement: Twilio Inc.

A request for authorization to proceed with final negotiations on an expansion of leased space with Twilio Inc. and to enter into a lease for Suite 510 at 375 Beale Street with a net effective rent of \$840,000 over a 9-month term.

Action: Authority Approval

Presenter: Andrew Fremier

Attachments: [5a Twilio Lease .pdf](#)

6. Public Comment / Other Business

7. Adjournment / Next Meeting

The next meeting of the Bay Area Headquarters Authority will be held on October 24, 2018 at 9:35 a.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.

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) 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.

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)

File #: 18-0702 **Version:** 1 **Name:**

Type: Minutes **Status:** Consent

File created: 8/23/2018 **In control:** Bay Area Headquarters Authority

On agenda: 9/26/2018 **Final action:**

Title: Minutes of the July 25, 2018 meeting

Sponsors:

Indexes:

Code sections:

Attachments: [4a_07-25-2018_BAHA_Draft_Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes of the July 25, 2018 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***

Wednesday, July 25, 2018

10:00 AM

Board Room - 1st Floor

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. Pledge of Allegiance

3. Compensation Announcement

4. Consent Calendar

Approval of the Consent Calendar

Upon the motion by Vice Chair Haggerty and the second by Commissioner Glover, the Consent Calendar was unanimously approved by the following vote:

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

Absent: 1 - Commissioner Pedroza

4a. [18-0563](#) Minutes of the June 27, 2018 meeting

Action: Authority Approval

- 4b.** [18-0166](#) Consultant Bench - On-Call Building Architectural and Engineering Services:
- Charles M. Salter Associates, Inc., San Francisco, CA;
 - Holmes Structures, San Francisco, CA;
 - Perkins + Will, Inc., San Francisco, CA;
 - Randall/Lamb/Associates dba Randall Lamb Associates Inc., San Francisco, CA;
 - Royston Hanamoto Alley & Abey dba RHAA, Mill Valley, CA;
 - Rutherford + Chekene, San Francisco, CA;
 - Salas O'Brien Engineers, Inc. dba Salas O'Brien, Oakland, CA;
 - Taylor Engineering LLC, Alameda, CA;
 - TEECOM Inc., Oakland, CA;
 - TEF Architecture & Interior Design, Inc., San Francisco, CA; and
 - Walker Parking Consultants/ Engineers, Inc. dba Walker Consultants, San Francisco, CA

Action: Authority Approval

Presenter: Gary Szeto

- 4c.i.** [18-0349](#) Contract - Large Retail Space Preconstruction: Swinerton Builders (\$200,000)

Action: Authority Approval

Presenter: Stephen Wolf

- 4c.ii.** [18-0585](#) Contract Amendment- Electric Vehicle Charging Stations Construction: Swinerton Builders (\$150,000)

Action: Authority Approval

Presenter: Stephen Wolf

- 4d.** [18-0562](#) Contract Amendment - Property Management Services: Cushman & Wakefield of California, Inc. (\$600,000)

The Authority will be asked to approve a contract amendment with Cushman & Wakefield to complete building improvements at the Metro Center as identified in the FY 2018-19 BAHA Rehabilitation budget.

Action: Authority Approval

Presenter: Stephen Wolf

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Bay Area Headquarters Authority will be held on September 26, 2018 at 9:35 a.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.

Legislation Details (With Text)

File #: 18-0708 **Version:** 1 **Name:**

Type: Contract **Status:** Consent

File created: 8/27/2018 **In control:** Bay Area Headquarters Authority

On agenda: 9/26/2018 **Final action:**

Title: Contract Amendment - Webcasting, Agenda Management and Audio Visual Services: Network Television Time, Inc. (\$300,000)

Sponsors:

Indexes:

Code sections:

Attachments: [4b_ContractAmend_NetworkTelevisionTimeInc.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Contract Amendment - Webcasting, Agenda Management and Audio Visual Services: Network Television Time, Inc. (\$300,000)

Presenter:
Nick Roethel

Recommended Action:
Authority Approval



Bay Area Headquarters Authority
Regional Agency Headquarters
375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700
www.mtc.ca.gov

Memorandum

Agenda Item 4b

TO: Bay Area Headquarters Authority (BAHA)

DATE: September 20, 2018

FR: Executive Director

W. I. 9130

RE: Contract Amendment – Webcasting, Agenda Management and Audio Visual Services:
Network Television Time, Inc. (\$300,000)

This memorandum requests Committee approval of a two-year contract amendment in an amount not to exceed \$300,000 with Network Television Time, Inc. (NTT) to provide additional webcasting services including coverage of additional meetings and closed captioning.

Background

On November 4, 2015, BAHA approved a sole source contract with NTT for a four-year term in an amount not to exceed \$1,400,000. The contract was subsequently amended to add \$200,000 under Executive Director authority to cover the webcasting of additional meetings, including those of the Association of Bay Area Governments (ABAG). This request will increase the total contract amount to \$1,900,000 to cover closed captioning, meetings of the Committee to House the Bay Area (CASA), and meetings or events of any additional bodies requiring webcasting in the Bay Area Metro Center. This is a shared service and is reimbursed proportionately by the Bay Area Air Quality Management District (BAAQMD).

Since the execution of this agreement, there has been a steady increase in the number of meetings requested to be webcast, not only on behalf of MTC and BAAQMD, but also other public agencies. For example, MTC has created CASA and its subordinate committees and provides webcast services for those meetings.

Recently, MTC implemented closed captioning for the hearing impaired. This service allows individuals to turn on a feature allowing the audio of a meeting to be viewed as text. The addition of this service, as well as the additional meeting webcasts, require the contract to be amended to fund the increased service demands.

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Network Television Time, Inc. for the remaining two years of the contract term in an amount not to exceed \$300,000.



Steve Heminger

SH:nr
Attachment

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Attachment A

			DBE* Firm			SBE** Firm		
	Firm Name	Role on Project	Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	Network Television Time, Inc.	Prime Contractor			X			X
Subcontractors	Granicus	Provider of agenda hosting and management services for MTC and BAAQMD			X			X
	Voice to Print Captioning, LLC	On-Screen Captioning			X			X

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

REQUEST FOR AUTHORITY APPROVAL
Summary of Proposed Contract Amendment

Work Item No.:	9130
Consultant:	Network Television Time, Inc.
Work Project Title:	Audio/Visual production services, camera operation, closed captioning, basic equipment maintenance and setup as well as audio/visual hosting for meeting recordings in an Internet based portal.
Purpose of Project:	Webcast, Video Production, Audio Visual Maintenance
Brief Scope of Work:	Provide additional webcasting services including coverage of additional meetings and closed captioning
Project Cost Not to Exceed:	<p>\$300,00 this amendment</p> <p>Previously approved contract amount: \$1,600,000</p> <p>maximum contract amount after this amendment: \$1,900,000</p>
Funding Source:	BAHA operating budget and Bay Area Air Quality Management District (BAAQMD) funds
Fiscal Impact:	<p>\$150,000 is included in the BAHA FY 2018-19 annual operating budget, to be reimbursed in part by BAAQMD.</p> <p>\$150,000 is subject to approval of the 2019-20 BAHA annual operating budget, to be reimbursed in part by BAAQMD.</p>
Motion by Authority:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Network Television Time, Inc. as described above and in the Executive Director's memorandum dated September 20, 2018, and the Chief Financial Officer is authorized to set aside funds in the amount of \$300,000 for such amendment, subject to approval of necessary funds in future agency budgets as specified above.
BAHA Chair:	<hr/> <p>Jake Mackenzie, Chair</p>
Approved:	Date: September 26, 2018

Legislation Details (With Text)

File #: 18-0703 **Version:** 1 **Name:**

Type: Report **Status:** Consent

File created: 8/23/2018 **In control:** Bay Area Headquarters Authority

On agenda: 9/26/2018 **Final action:**

Title: Fourth Quarter Unaudited BAHA Financial Statements - June 2018

Sponsors:

Indexes:

Code sections:

Attachments: [4c_BAHA_FY 2017-18 Financial Statements \(Unaudited\).pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Fourth Quarter Unaudited BAHA Financial Statements - June 2018

Presenter:
Brian Mayhew

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

WEB www.mtc.ca.gov

Memorandum

Agenda Item 4c

TO: Bay Area Headquarters Authority

DATE: September 20, 2018

FR: Executive Director

W. I. 9110, 9120, 9130

RE: **BAHA Financial Statements for June 30, 2018 (Unaudited)**

Attached are the BAHA Operating and Capital Financial Statements for the fiscal year ending on June 30, 2018. The June 2018 financials are preliminary, unaudited and subject to change upon completion of the annual audit process.

Combined Operations: BAHA is the operating authority and provides oversight for the entire Bay Area Metro Center (BAMC) enterprise, including the operation of the 375 Beale Condominium Corporation (375 Beale Inc.). As of the end of the fiscal year, the combined operating financials (Attachment A Page 1) show a surplus of \$3.7 million before depreciation and the FY 2017-18 assessment credit to the owners. Overall, BAHA had a good operating year.

BAHA Building Operations: BAHA Building Operations represents the BAHA commercial building operations. These operations reported a \$2.9 million surplus before depreciation (Attachment A Page 2). Total revenue of \$8.8 million is 6% or \$337,221 over the approved budget. The higher revenue was due to additional rent, higher parking revenue and interest earnings. Total operating expense was in line with the approved budget at \$5.9 million, with \$51,652 unspent. Cushman & Wakefield of California, Inc. (CW), the property manager, did not overspend the budget, rather the formula distributing expenses between commercial operations and 375 Beale Inc. expenses was changed. Detail of CW spending can be found in Attachment A Page 4.

375 Beale Inc.: The board of directors of 375 Beale Inc., composed of representatives of the condominium owners, oversee the condominium operations. As of June 30, 2018, the condominium operations show a surplus of \$284,246 before the assessment credit for the fiscal year. The FY 2017-18 surplus will be return to the condominium owners during FY 2018-19 based on the assessment calculation formula. (Attachment A Page 3)

During the year, an assessment credit of \$901,388 was calculated for FY 2016-17. The Bay Area Air Quality Management District collected its portion of the credit, \$425,369. MTC management decided to leave its credit of \$476,016 in 375 Beale Inc. as a reserve. BAHA has restricted the \$476,016 credit for MTC as an operating reserve. ABAG did not qualify for a credit because its FY 2016-17 assessment came in below its expense for that year.

Property Manager: CW is hired by BAHA as the property manager for the BAMC. CW is responsible for ensuring the building is in operating condition throughout the fiscal year by managing utilities services, building security, janitorial service, and building maintenance. Total operating expense incurred by CW in FY 2017-18 was \$7.5 million, 95% of the approved budget. CW expenses were split between BAHA Building Operations and 375 Beale Inc. Detail can be found in Attachment A Page 4.

BAHA Capital: The capital budget is 99% expended. The project budget has \$792,777 remaining after expenditures and encumbrances (Attachment A Page 5).

Commercial Development: Tenant improvements are now 99% complete. The project budget has \$38,040 remaining after expenditures and encumbrances (Attachment A Page 6).



Steve Heminger

SH:bm

BAHA Building and 375 Beale Inc. Operations
BAHA Operating Budget by Group
As of June 30, 2018 (Unaudited)

	FY2017-18 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget
Revenue:				
Assessment fee - shared services	\$ 1,655,699	\$ 1,655,699	\$ -	100%
Assessment fee - common area	3,643,476	3,643,476	-	100%
Lease income	8,006,770	8,329,303	322,533	104%
Expense reimbursements	277,470	261,153	(16,317)	94%
Other income - parking/antenna	60,000	91,005	31,005	152%
Interst Income	-	147,350	147,350	100%
Total Operating Revenue	13,643,415	14,127,986	484,571	104%
Expense:				
Staff Cost (In-House)				
Salaries and Benefits	1,028,574	986,498	(42,076)	96%
Overhead	470,836	452,861	(17,975)	96%
Total Staff Cost	1,499,410	1,439,359	(60,051)	96%
Cushman & Wakefield Op Exp				
375 Beale Inc Op Exp	3,643,476	2,992,007	(651,469)	82%
Building Op Exp	4,289,981	4,525,784	235,803	105%
Total Cushman & Wakefield Op Exp	7,933,457	7,517,791	(415,666)	95%
In-House Op Exp				
375 Beale Inc Op Exp	1,086,977	620,859	(466,118)	57%
Building Op Exp	770,084	480,723	(289,361)	62%
Total In-House Op Exp	1,857,061	1,101,582	(755,479)	59%
Total Operating Exp	11,289,928	10,058,732	(1,231,196)	89%
Prior Year Assessment Credit:				
PY Assessment Fee - Shared Services	-	(189,414)	(189,414)	N/A
PY Assessment Fee - Common Area	-	(235,955)	(235,955)	N/A
Total Credit	-	(425,369)	(425,369)	N/A
Transfer In/(Out)	(2,417,000)	10,454	2,427,454	0%
Operating Surplus (Deficit) before Depreciation & Assessment credit	(63,513)	3,654,339	1,715,767	-5754%
Depreciation	6,060,590	6,433,075	372,485	106%
Total Operating Surplus (Deficit)	<u>\$ (6,124,103)</u>	<u>\$ (2,778,736)</u>		

BAHA Building Operations
As of June 30, 2018 (Unaudited)

	FY2017-18 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget
Revenue				
Lease Income	\$ 8,006,770	\$ 8,329,303	\$ 322,533	104%
Expense Reimbursements	277,470	261,153	(16,317)	94%
Other Income - Parking/Antenna	60,000	91,005	31,005	152%
Interest Income	-	141,263	141,263	100%
Total Revenue	8,344,240	8,822,724	337,221	106%
In-House Op Exp				
Salaries and Benefits	638,404	644,736	6,332	101%
Overhead	292,284	287,858	(4,426)	98%
Contractual services	160,532	16,773	(143,759)	10%
IT Licenses, Maintenance	171,000	204,496	33,496	120%
Audit/Accounting/Other	103,552	74,501	(29,051)	72%
Office Supplies	5,000	2,318	(2,682)	46%
Building Operation	20,000	17,608	(2,392)	88%
Parking	8,000	6,820	(1,180)	85%
Other Exp	191,000	95,642	(95,358)	50%
Insurance	16,000	15,404	(596)	96%
Art Related	75,000	27,173	(47,827)	36%
Contribution to Ada's	20,000	19,988	(12)	100%
Total In-House Op Exp	1,700,772	1,413,317	(287,455)	83%
Cushman & Wakefield Op Exp (Property Management)				
Contractual services	403,309	431,317	28,008	107%
Audit/Accounting/Other	22,085	25,361	3,276	115%
Building Operation	794,452	877,664	83,212	110%
Security	390,908	459,087	68,179	117%
Parking	93,723	125,277	31,554	134%
Insurance	137,110	164,150	27,040	120%
Utility - Ele	240,531	351,506	110,975	146%
Utility - Gas	66,944	33,314	(33,630)	50%
Utility - Water	43,500	68,467	24,967	157%
Janitorial Service	563,439	618,436	54,997	110%
Landscape	33,980	24,667	(9,313)	73%
Possessory Tax	1,500,000	1,346,538	(153,462)	90%
Total Cushman & Wakefield Op Exp	4,289,981	4,525,784	235,803	105%
Total Operating Exp	5,990,753	5,939,101	(51,652)	99%
Transfer In/(Out)	(2,417,000)	10,454	2,427,454	0%
Operating Surplus before Depreciation	(63,513)	2,894,077	2,957,590	-4557%
Depreciation	6,060,590	6,433,075	372,485	106%
Total Operating Surplus (Deficit)	\$ (6,124,103)	\$ (3,538,998)		

375 Beale Inc. Operations
As of June 30, 2018 (Unaudited)

	FY2017-18 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget
Revenue				
Assessment Fee - Shared Services	\$ 1,655,699	\$ 1,655,699	\$ -	100%
Assessment Fee - Common Area	3,643,476	3,643,476	-	100%
Interest Income	-	6,087	6,087	100%
Total Revenue	5,299,175	5,305,262	6,087	100%
In-House Op Exp				
Salaries and Benefits	390,170	341,762	(48,408)	88%
Overhead	178,552	165,003	(13,549)	92%
IT Licenses, Maintenance	663,977	351,956	(312,021)	53%
Audit/Accounting/Other	25,000	23,869	(1,131)	95%
Office Supplies	120,000	60,899	(59,101)	51%
Communication	65,000	61,846	(3,154)	95%
Coffee/Tea Service	96,000	71,485	(24,515)	74%
Building Operation	3,000	2,759	(241)	92%
Other Exp	101,000	45,145	(55,855)	45%
Insurance	10,000	320	(9,680)	3%
Janitorial Service	3,000	2,580	(420)	86%
Total In-House Op Exp	1,655,699	1,127,624	(528,075)	68%
Cushman & Wakefield Op Exp (Property Management)				
Contractual services	643,253	536,575	(106,678)	83%
Audit/Accounting/Other	23,226	18,792	(4,434)	81%
Building Operation	835,479	650,349	(185,130)	78%
Security	413,375	340,543	(72,832)	82%
Parking	98,564	92,831	(5,733)	94%
Insurance	144,190	121,635	(22,555)	84%
Utility - Ele	524,359	522,086	(2,273)	100%
Utility - Gas	70,405	24,685	(45,720)	35%
Utility - Water	45,750	50,735	4,985	111%
Janitorial Service	797,957	612,895	(185,062)	77%
Landscape	46,918	20,881	(26,037)	45%
Total Cushman & Wakefield Op Exp	3,643,476	2,992,007	(651,469)	82%
Total Operating Exp	5,299,175	4,119,631	(1,179,544)	78%
Surplus (Deficit) before Assessment Credit	-	1,185,631	1,185,631	100%
Prior Year Assessment Credit:				
FY17 Shared Services Assessment - AD	-	(189,414)	(189,414)	N/A
FY17 Common Area Assessment - AD	-	(235,955)	(235,955)	N/A
Total credit	-	(425,369)	(425,369)	N/A
Reserve for MTC FY17 Assessment Credit	-	(476,016)	\$ (476,016)	100.0%
Total Operating Surplus (Deficit)	\$ -	\$ 284,246	*	

* Pending for Assessment Credit

Cushman & Wakefield Operations (Property Management)
As of June 30, 2018 (Unaudited)

	FY2017-18 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget
Op Exp - Split among 375 Beale Inc. and BAHA Building Operations				
Contractual services	790,525	750,921	(39,604)	95%
Audit/Accounting/Other	45,311	44,153	(1,158)	97%
Building Operation	1,629,931	1,528,013	(101,918)	94%
Security	802,003	799,270	(2,733)	100%
Parking	192,287	218,108	25,821	113%
Insurance	281,300	285,785	4,485	102%
Utility - Ele	493,477	611,971	118,494	124%
Utility - Gas	137,349	57,999	(79,350)	42%
Utility - Water	89,250	119,202	29,952	134%
Janitorial Service	1,155,976	1,076,697	(79,279)	93%
Landscape	69,714	42,947	(26,767)	62%
Total Op Exp	5,687,123*	5,535,066**	(152,057)	97%
Op Exp - 375 Beale Inc.				
Contractual services	238,041	216,971	(21,070)	91%
Security	2,280	360	(1,920)	16%
Utility - Ele	271,413	261,621	(9,792)	96%
Janitorial Service	205,420	154,634	(50,786)	75%
Landscape	11,184	2,601	(8,583)	23%
Total Op Exp - 375 Beale Inc.	728,338	636,187	(92,151)	87%
Op Exp - BAHA Operation				
Contractual services	17,996	-	(17,996)	0%
Possessory Tax	1,500,000	1,346,538	(153,462)	90%
Total Op Exp - BAHA Building Operations	1,517,996	1,346,538	(171,458)	89%
Total Operating Exp	\$ 7,933,457	\$ 7,517,791	(415,666)	95%
Depreciation - BAHA Building Operations	1,460,590	1,514,218	53,628	104%
Total Expense	\$ 2,978,586	\$ 2,860,756	\$ (117,830)	96%

* 51.26% of total CW budgeted expenses are budgeted to 375 Beale Inc. The remaining 48.74% are budgeted to BAHA Building Operations.

** 42.56% of total CW actual expenses are charged to 375 Beale Inc. The remaining 57.44% are paid by BAHA Building Operations.

BAHA Capital Fund LTD
As of June 2018 (Unaudited)

		Budget LTD	Actual LTD	Encumbrances	Total LTD	Budget Balance Over/(Under)	% of Budget
Revenue:							
R1	Insurance Proceeds	\$ 1,284,457	\$ 1,817,087	\$ -	\$ 1,817,087	\$ 532,630	141%
R2	Transfer in from MTC	801,160	801,160	-	801,160	-	100%
R3	Transfer in from SAFE	112,910	112,910	-	112,910	-	100%
R4	Transfer in from BATA	6,906,010	6,906,010	-	6,906,010	-	100%
R6	Purchase from ABAG	1,600,000	5,815,497	-	5,815,497	4,215,497	363%
R7	Purchase from Air District	34,000,000	29,707,755	-	29,707,755	(4,292,245)	87%
	Reimbursement from Air District	500,000	-	-	-	(500,000)	0%
R8	Reimbursement from PG&E	54,601	54,601	-	54,601	-	100%
R9	TFCA Grant	151,000	-	-	-	(151,000)	0%
R10	Grant Local Match from MTC	119,000	-	-	-	(119,000)	0%
R11	Grant Local Match from Air District	150,000	-	-	-	(150,000)	0%
R12	SPANs Savings	33,000,000	33,000,000	-	33,000,000	-	100%
R13	Capital Contribution (BATA)	193,310,846	193,610,846	-	193,610,846	300,000	100%
R15	Interest Revenue	-	164,982	-	164,982	164,982	-100%
R16	Reimbursement for Capital Expenditure	-	1,091,258	-	1,091,258	1,091,258	-100%
R17	Miscellaneous	-	27,133	-	27,133	27,133	-100%
Total Revenue		271,989,984	273,109,239	-	273,109,239	1,119,255	
Expenses:							
	Purchase Building	\$ 93,000,000	\$ 93,000,000	\$ -	\$ 93,000,000	\$ -	100%
E1	Building Development	154,054,870	152,901,350	1,104,247	154,005,597	(49,273)	99%
E2	Insurance	573,017	573,017	-	573,017	-	100%
E4	Furniture, Fixtures, Equipment	15,000,000	15,000,000	-	15,000,000	-	100%
	Backup Generator	500,000	-	-	-	(500,000)	0%
E5	12V Feed	307,606	307,606	-	307,606	-	100%
E6	EV Station Project	420,000	17,128	202,512	219,640	(200,360)	4%
E7	Staff Costs	8,134,491	8,091,347	-	8,091,347	(43,144)	99%
Total Expenses		271,989,984	269,890,448	1,306,759	271,197,207	(792,777)	
Transfer to CDF			1,119,255				

BAHA Commercial Development Fund Life To Date As of June 2018 (Unaudited)

Program #	Budget	Tenant Improvements	Commissions	Total	LTD Expense	Enc Amt	Budget Bal Over/(Under)
	Sales Proceeds			\$ 22,139,154			
	Cubic Reimbursement for TI			100,000			
				<u>\$ 22,239,154</u>			
9135	T.I. Rutherford and Chekene	\$ 1,112,749	\$ 123,181	\$ 1,235,930	\$ 1,235,930	\$ -	\$ -
9136	Conduent	-	110,975	110,975	110,975	-	-
9137	T.I. Degenkolb	1,834,670	452,740	2,287,410	2,287,410	-	-
9138	T.I. Twilio	8,338,957	1,836,460	10,175,417	10,175,417	-	-
9139	Engineering/Architectural	350,000	-	350,000	295,387	54,613	-
9140	T.I. Ada's Café	455,000	-	455,000	465,454	-	10,454
9141	BCDC	7,004,940	-	7,004,940	6,944,597	70,343	10,000
9142	Cubic	550,000	44,000	594,000	547,227	13,761	(33,012)
	Total Tenant Improvements	\$ 19,646,316	\$ 2,567,356	\$ 22,213,672	\$ 22,062,397	\$ 138,717	\$ (12,558)
9143	Marketing			\$ -	\$ -	\$ -	\$ -
9143	Building Improvements			\$ -	\$ -	\$ -	\$ -
	Total Budgeted CDF Expenses			\$ 22,213,672	\$ 22,062,397	\$ 138,717	\$ (12,558)
	Net			\$ 25,482			

Completed Project

Legislation Details (With Text)

File #:	18-0804	Version:	1	Name:	
Type:	Contract	Status:		Authority Approval	
File created:	9/13/2018	In control:		Bay Area Headquarters Authority	
On agenda:	9/26/2018	Final action:			
Title:	Lease Agreement: Twilio Inc.				

A request for authorization to proceed with final negotiations on an expansion of leased space with Twilio Inc. and to enter into a lease for Suite 510 at 375 Beale Street with a net effective rent of \$840,000 over a 9-month term.

Sponsors:

Indexes:

Code sections:

Attachments: [5a Twilio Lease .pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Lease Agreement: Twilio Inc.

A request for authorization to proceed with final negotiations on an expansion of leased space with Twilio Inc. and to enter into a lease for Suite 510 at 375 Beale Street with a net effective rent of \$840,000 over a 9-month term.

Presenter:

Andrew Fremier

Recommended Action:

Authority Approval

Memorandum

Agenda Item 5a

TO: Bay Area Headquarters Authority

DATE: September 20, 2018

FR: Executive Director

W. I. 9130

RE: Lease Agreement: Twilio Inc.

Background:

BAHA has been negotiating with the Department of General Services on behalf of the San Francisco Bay Conservation and Development Commission (BCDC) the terms of a lease for approximately 21,000 RSF on Level 5 of the Bay Area Metro Center (Metro Center) at 375 Beale Street. The State's current budget allocates funds for BCDC to move to the Metro Center; however, the funding is below the amount originally agreed to between BCDC and BAHA. BAHA is now in direct talks with the Department of Finance (DOF) and these talks have been positive. All parties are focused on working to secure adequate funding in the Governor's FY 2019-20 budget that would allow BCDC to move in next year. In the meantime, the space BAHA built out and furnished for BCDC remains unoccupied.

Twilio Inc. (Twilio) is currently in its second year of an 8-year lease for 91,823 RSF on Levels 3 and 4. Twilio's current lease rate is \$55/RSF per year, increasing by \$1/RSF each year. Twilio is expanding and in need of a short-term lease for temporary space while it secures additional office space outside the Metro Center. By extending a nine-month lease to Twilio for the BCDC space, provided in as-is condition, BAHA will collect revenue to repay BATA toll contributions while continuing its commitment to bring BCDC to the Metro Center.

Twilio is a cloud communications platform as a service (PaaS) company based in San Francisco. Founded in 2008, the company has a customer base that now includes Coca-Cola, Airbnb, Intuit, Uber, Salesforce, and American Red Cross. Twilio is publicly traded, listed on the New York Stock Exchange, with 2017 revenue of \$399 million and a current market capitalization of more than \$8 billion.

Proposed Lease:

Staff is seeking authorization to proceed with final negotiations on a lease under the following terms set forth in the letter of intent dated September 18, 2018.

Tenant:	Twilio Inc. Cloud Platform Developer, founded in 2008, with 500+ employees in its San Francisco headquarters
Space:	Approximately 15,500 Rentable Square Feet (RSF) on 5 th Floor Suite 510 with the option to increase to 19,500 RSF.
Rent:	Base: \$75.00/RSF (net electric) Increase: 3% at anniversary Cap: None Average: \$75.00/RSF over 1-year period

Possessory Tax: Tenant to pay any Possessory Tax due and BAHA to reimburse in form of a rent credit

Term: Nine (9) months. Any time after July 1, 2019, BAHA or Twilio, either at its sole discretion, shall have the right to terminate the lease upon sixty (60) days written notice.

Delivery: 10/1/2018

Commencement: 10/1/2018

Free Rent: None

Tenant Improvement Allowance: \$0

Broker Commissions: \$40,200

Net Effective Rent: \$840,000 (over 9-month term)

Security Deposit: \$365,625* as cash or letter of credit

**Figures assume lease of 19,500 RSF; subject to adjustment if RSF of space is adjusted before lease execution*

While Twilio will be responsible for tenant improvements, we believe it is prudent to set aside \$50,000 as a contingency to cover potential interface issues between the MTC and Twilio space.

Recommendation:

1. Authorize the Executive Director, or his designee, to enter into negotiations to lease Suite 510 to Twilio Inc. at terms and conditions consistent with the letter of intent dated September 18, 2018 and to execute a lease agreement and other required documents.
2. Direct the Treasurer and Auditor to set aside funds for contingency and real estate broker commissions consistent with the final lease agreement; and
3. Direct the Executive Director, or his designee, to report back to BAHA with final terms and conditions of the lease.



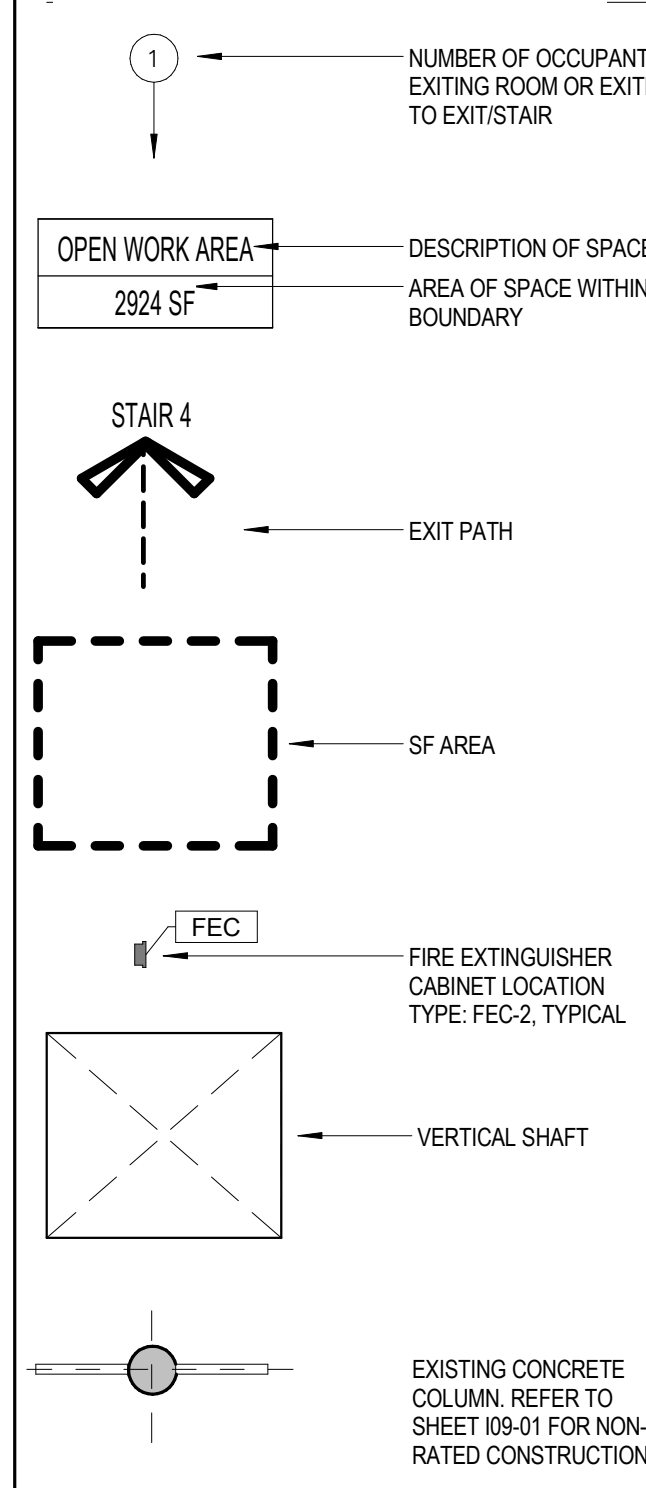
Steve Heminger

SH:sw
Attachments

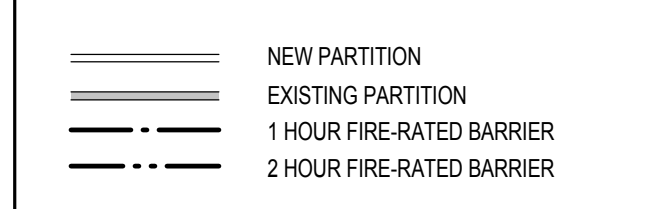
GENERAL NOTES

1. REFER TO SHEET 04-05 FOR WALL FIRE RATING.
2. REFER TO SHEET 07-07 FOR HIGH DENSITY STORAGE LAYOUTS.
3. AREA CALCULATED AT 1:100 GSF UNO.
4. FURNITURE SHOWN FOR REFERENCE AND SCALE ONLY.
5. PROVIDE SIGNAGE AT EACH FIRE EXTINGUISHER LOCATION TO MATCH BUILDING TYPICAL.
6. SEE 000.03a FOR SIGNAGE TYPES.

LIFE SAFETY LEGEND



FIRE-RATED PARTITION



NOTES:
1. FOR FIRE-RATED PARTITION TYPES, SEE 04-05
2. FOR FIRE-RATED PARTITION SCHEDULE, SEE 10-01
3. FOR ALL OTHER PARTITIONS, SEE 10-02
4. (E) FIRE-RATED PARTITIONS, CONTRACTOR TO MAINTAIN (E) FIRE-RATING

OCCUPANT TOTALS

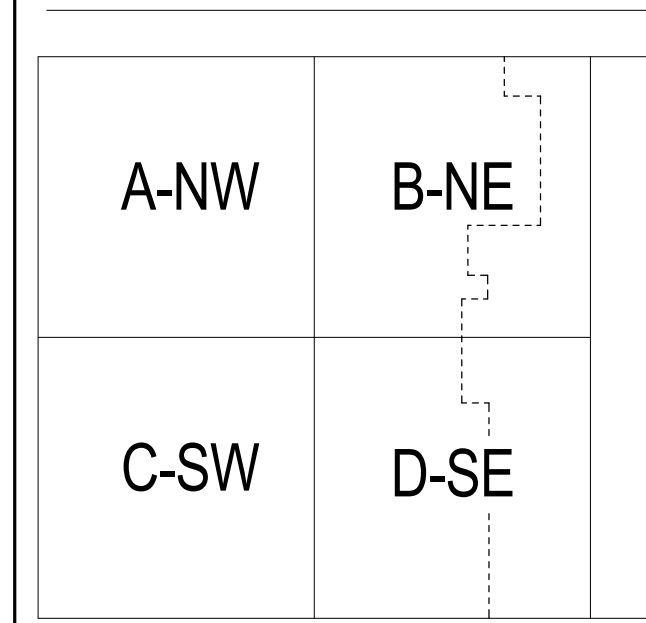
STAIR INFORMATION				
	WIDTH	POTENTIAL CAPACITY	ACTUAL USE	FUTURE CAPACITY
STAIR 1	43"	143	141	2
STAIR 2	46.5"	155	153	2
STAIR 3	96"	320	296	24
STAIR 4	45.5"	150	150	0
TOTAL		768	742	26

LOBBY OCCUPANT LOAD	
STORAGE	169 GSF @ 1:300 = 1
SEATING	365 GSF @ 1:15 = 24
COFFEE BAR	127 GSF @ 1:15 = 9 110 GSF @ 1:200 = 1
CONFERENCE	561 GSF @ 1:15 = 38
TOTAL	= 73

BDC OCCUPANT LOAD	
STORAGE	1399 GSF @ 1:300 = 5
BUSINESS	1428 GSF @ 1:100 = 145
CONFERENCE	1669 GSF @ 1:15 = 73
TOTAL	= 223

MTC OCCUPANT LOAD	
STORAGE	1312 GSF @ 1:300 = 5
BUSINESS	10041 GSF @ 1:100 = 101
CONFERENCE	1227 GSF @ 1:15 = 82
TOTAL	= 188

KEY PLAN



PERMIT SET

DECEMBER 29, 2016

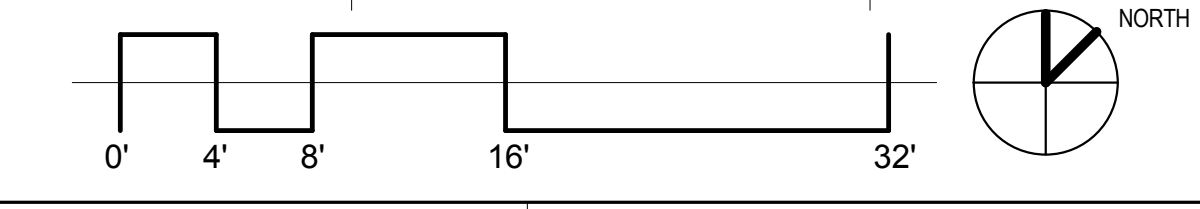
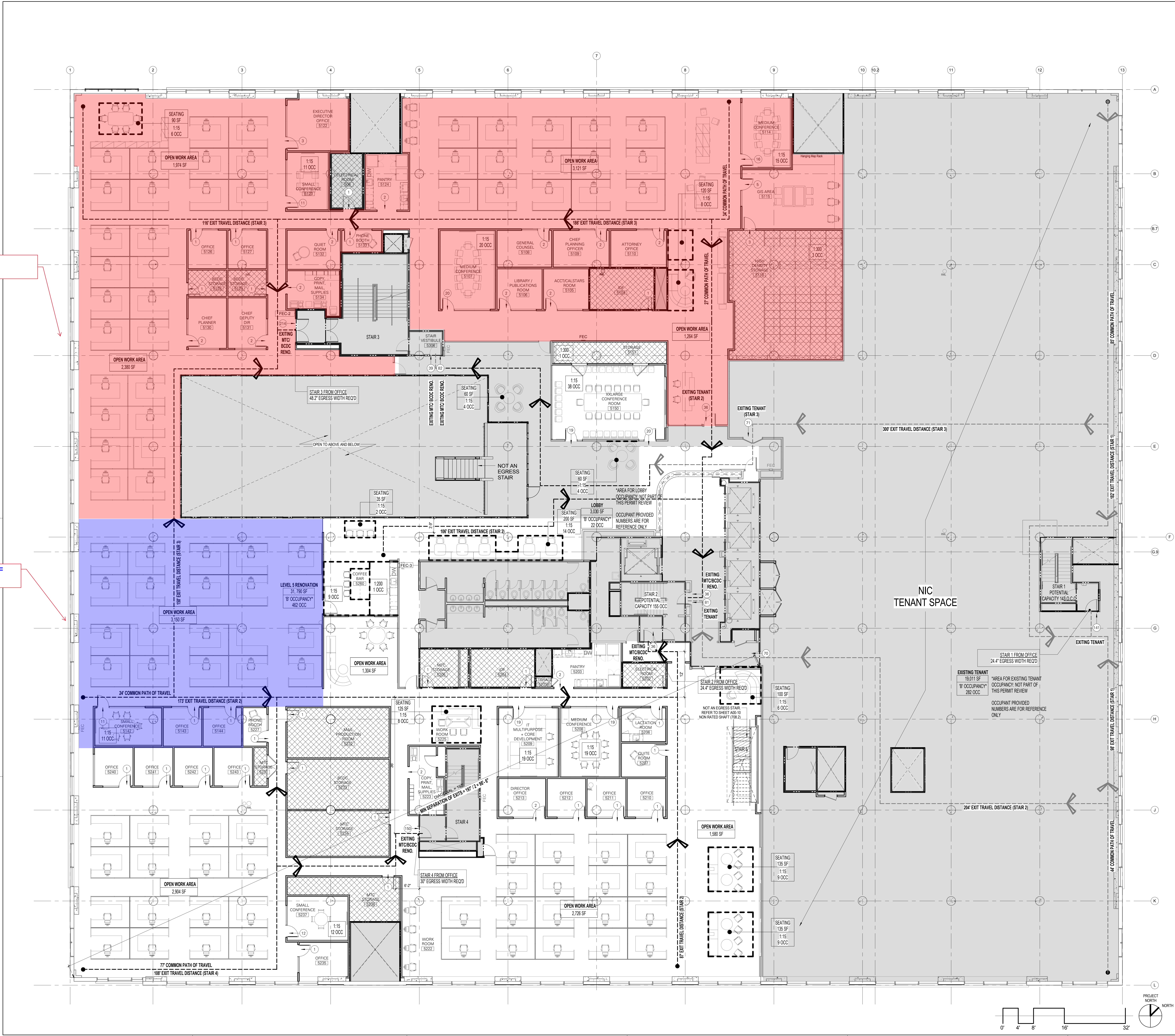


Project No.	21614.00	Issue Date	02/17/16
Scale	1/8" = 1'-0"	Project	100% CD
Print Date	12/28/2016 12:06:05 PM		
Job		Date	
		Drawn	
		Checked	
		Reviewed	
		Approved	

LEVEL 05 LIFE SAFETY DIAGRAMS

13,800*1.12 =
15,500rsf

3,600*1.12 =
4,000 rsf



REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Lease Agreement

Lessee:	Twilio Inc. San Francisco, California
Term:	Nine (9) months. Any time after July 1, 2019, BAHA or Twilio, either at its sole discretion, shall have the right to terminate the lease upon sixty (60) days written notice.
Space:	5 th Floor Suite 510 Approximately 15,500 RSF, with the option to increase to 19,500 RSF (estimated)
Full Service Rent:	\$75.00/RSF over 1 year with 3% increase at rental anniversary (estimated)
Commissions:	\$40,200 payable to Cushman & Wakefield of California, Inc. (estimated)
Rent Commencement:	10/1/2018
Design/Build Out:	Twilio to occupy as is
Funding Source:	FY 2018-19 Operating Budget
Net Effective Rent:	\$840,000 over 9-month term (estimated based on 15,500 RSF)
Security Deposit:	\$365,625
Parking:	None
Motion by Authority:	That the Executive Director or his designee is authorized to negotiate and enter into a lease agreement with Twilio Inc. for Suite #510 at 375 Beale Street as described above and in the Executive Director's Memorandum dated September 20, 2018, and the Treasurer and Auditor is directed to set aside funds in the amount of \$40,200 for broker fees and \$50,000 for contingency. The Executive Director or his designee shall report back to BAHA with final terms and conditions of the lease.
BAHA Chair:	<hr/> Jake Mackenzie
Approved:	Date: September 26, 2018