

**BAY AREA HEADQUARTERS AUTHORITY**

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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 1st. 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.



Andrew B. Fremier

SH:tg