

# Bay Area Headquarters Authority (BAHA)

July 28, 2021

Agenda Item 2b - 21-0968

## Contract – Real Estate Brokerage Services: Cushman & Wakefield of California, Inc. (\$1,200,000)

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**Subject:** A request that the Authority authorize the Executive Director or designee to negotiate and enter into a contract in the amount of \$1,200,000 with Cushman & Wakefield of California, Inc. (“Cushman Wakefield”) for the period of August 1, 2021 through June 30, 2024, for real estate brokerage services for the marketing and leasing of office and retail space at 375 Beale Street, San Francisco (Bay Area Metro Center (BAMC)).

**Background:** Cushman Wakefield provided real estate brokerage services to BAHA from 2013 to 2018 via a competitive procurement. During that time, Cushman Wakefield provided a full range of services including, but not limited to, creating a master plan for the redevelopment of the tenant and retail spaces, preparing a marketing strategy for attracting prospective tenants, serving as BAHA’s real estate broker in the negotiation of competitive leases and providing other services as required in the ordinary course of business in marketing and leasing the building.

BAHA has been without a real estate brokerage service provider since 2018, as the Metropolitan Transportation Commission (MTC), the Bay Area Quality Management District (BAAQMD) and the San Francisco (BCDC) occupy approx. 207,000 square feet, and all other BAMC space is leased to other commercial tenants (see Attachment A, Stacking Plan).

Although, all leasable BAMC space is currently fully occupied, BAHA now requires a qualified firm to assist BAHA with its on-going and future leasing needs.

The Cushman Wakefield team brings substantial experience marketing and leasing buildings that include a mix of government and private companies, as well as retail space. Supported by senior management at the regional and national level, the dedicated core team will provide an integrated level of professionals experienced in developing a vision and strategy for the retaining, and marketing and attracting tenants.

The proposed \$1,200,000 contract will allow Cushman Wakefield to provide real estate brokerage services for the term of August 1, 2021 through June 30, 2024. Funding of \$200,000 is budgeted in FY 2021-22; and \$500,000 per FY year is subject to the approval of the FY 2022-23 and FY 2023-24 budgets. The contract will include terms and conditions for the payment of commissions to Cushman Wakefield, other cooperating brokers, and for other agreed upon expenses related to the marketing of BAMC.

This contract will be procured using the U.S. General Services Administration Multiple Award Schedule (MAS). Cushman Wakefield is neither a small business enterprise nor a disadvantaged business enterprise.

**Issues:** None.

**Recommendation:** Staff recommends that the Authority authorize the Executive Director or designee to negotiate and enter into a contract with Cushman Wakefield in an amount not to exceed \$1,200,000 for the period of August 1, 2021 through June 30, 2024, for real estate brokerage services at the Bay Area Metro Center. Funding of \$200,000 is budgeted in FY 2021-22; and \$500,000 per FY subject to the approval of the FY 2022-23 and FY 2023-24 budgets.

**Attachments:** Attachment A – Stacking Plan  
Request for Committee Approval – Summary of Proposed Contract



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Therese W. McMillan

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 9130

Consultant: Cushman & Wakefield of California, Inc.  
San Francisco, CA

Work Project Title: Property Management Services

Purpose of Project: Provide Real Estate Brokerage Services for 375 Beale Street

Brief Scope of Work: Provide for real estate brokerage services for the marketing and leasing of office and retail space at 375 Beale Street, San Francisco (Bay Area Metro Center).

Project Cost Not to Exceed: \$1,200,000

Funding Source: BAHA FY 2021-22 Budget

Fiscal Impact: Funding of \$200,000 is budgeted in FY 2021-22; and \$500,000 per FY is subject to the approval of the FY 2022-23 and FY 2023-24 agency budgets.

Motion by Authority: That the Executive Director or designee is authorized to negotiate and enter into a contract with Cushman & Wakefield of California, Inc. for real estate brokerage services, for the period of August 1, 2021 through June 30, 2024, as described above and in the Bay Area Headquarters Authority Summary Sheet dated July 28, 2021, and the Treasurer and Auditor is directed to set aside funds in the amount of \$1,200,000 for such contract.

BAHA Chair:

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Alfredo Pedroza

Approved:

Date: July 28, 2021

375 BEALE STREET							
STACKING PLAN							
Floor	<p align="center"><i>BOMA Legacy Method A: Smith Group 6-19-2015</i>  <i>Revised to add Cubic 6-28-2018</i>  <i>Revised to update BATA Lease Term, and other minor change 8-14-2021</i></p>						
8	<p align="center"><b>AGENCY (MTC, ABAG, BAAQMD)</b> 55,700 RSF</p>						
7	<p align="center"><b>AGENCY (MTC, ABAG, BAAQMD)</b> 57,300 RSF</p>						
6	<p align="center"><b>AGENCY (BAAQMD)</b> 58,100 RSF</p>						
5	<p align="center"><b>AGENCY (MTC)</b> 17,010 RSF</p>	<p align="center"><b>BCDC</b> Occupy 08-15-2019 Expires 8-31-2027 18,890 RSF</p>		<p align="center"><b>DEGENKOLB</b> Occupy 2-1-2017 Expires 01-31-2027 Option: One at 60 months (i.e. 01-31-2032) 22,536 RSF</p>			
4	<p align="center"><b>TWILIO</b> (See below) 58,290 RSF</p>						
3	<p align="center"><b>CUBIC</b> Occupy Expires Options: two at 36 months each (i.e. 12-31- 2022, 12-31-2028) 2,990 RSF</p>	<p align="center"><b>BATA Fastrak</b> (See below) 6,180 RSF</p>	<p align="center"><b>RUTHERFORD &amp; CHEKENE</b> Occupy 6-1-2016 Expires 08-31-2023 Options: One at 60 months 13,892 RSF</p>		<p align="center"><b>TWILIO</b> Occupy 4-15-2016 Expires 10-31-2024 Options: Two at 36 months each (i.e. 10-31-2027, 10-31-2030)* BAHA approval required 33,533 RSF</p>		
2	<p align="center"><b>PARKING</b> 16,064 RSF</p>		<p align="center"><b>BIKES/ LOCKERS</b> 4,396 RSF</p>	<p align="center"><b>AGENCY (MTC, BAAQMD)</b> 9,600 RSF</p>	<p align="center"><b>CUSHMAN &amp; WAKEFIELD</b> 1,082 RSF</p>	<p align="center"><b>BATA-FASTRAK CSC</b> Occupy 4-25-2016 Expires 11-30-2022 Option: Incremental up to 12 months 21,100 RSF</p>	
1	<p align="center"><b>BUILDING SUPPORT</b> 10,326 RSF</p>	<p align="center"><b>PARKING</b> 15,912 RSF</p>		<p align="center"><b>LOBBY</b> 14,606 RSF</p>	<p align="center"><b>BOARDROOM AND PUBLIC MEETING ROOMS</b> 14,200 RSF</p>	<p align="center"><b>VACANT</b> 1,521 RSF</p>	<p align="center"><b>Temazcal MULTI-USE SPACE</b> 4,827 RSF</p>

Building Common Area
Agency Space
Leased Space through 2022
Leased Space through 2023
Leased Space through 2024
Leased Space through 2025
Leased Space through 2026
Leased Space through 2027
Vacant Space

Last Updated 6/28/2021