

Bay Area Headquarters Authority (BAHA)

April 24, 2024

Agenda Item 3b - 24-0389

Bay Area Headquarters Authority (BAHA) Resolution No. 046, Revised –

FY 2023-24 BAHA Operating and Capital Budgets, Amendment No. 1

Subject:

A request for Authority approval of the Bay Area Headquarters Authority (BAHA) resolution 46 Revised, authorizing the FY2023-24 Operating and Capital Budget Amendment No. 1. The proposed amendment transfers an additional \$1.1 million from operating reserves to the capital budget. No changes are proposed to the Operating Budget.

Background:

On June 28, 2023, BAHA adopted Resolution 46, authorizing the FY 2023-24 Operating and Capital Budgets, including an estimate of assessment fees to 375 Beale Condo. The approved budget included total revenue of \$19.7 million, total expenses of \$17.6 million, and a transfer to the Capital Budget of \$14.1 million.

In August of 2023, Cushman & Wakefield engaged a third-party consultant to provide façade inspections of 375 Beale Street, the Bay Area Metro Center (BAMC) in conformance with the San Francisco Building Façade Inspection and Maintenance Program (AB-110). The inspection report identified necessary façade repairs and maintenance work.

On December 20, 2023, BAHA authorized the Executive Director to negotiate and enter into a contract amendment not to exceed \$1,540,423.50 with Cushman & Wakefield of California, Inc. (“Cushman & Wakefield”) for the repair of the building façade at BAMC.

Building Improvement Budget Amendment:

Staff is requesting an additional \$1.1 million for building improvement projects. The projects include:

- \$200,000 for Agency Space Modification Planning to fund additional design, procurement, and installation of ergonomic equipment - sit stand desks - and other ancillary furniture in the BAMC space assigned to Metropolitan Transportation Commission (MTC).

- \$1,540,424 for Cushman & Wakefield Building Improvement project to fund identified façade repairs as included in the contract amendment approved by BAHA in December 2023. The additional funds allow Cushman & Wakefield to continue with the necessary building repairs, which include repair of concrete spalls on the building's façade, without delaying previously authorized building improvement and repair projects.
- As the Air Handling Units 1-4 eyebrow installation has been completed, the remaining budget of \$649,742 is transferred to the Building Improvement project, reducing the net additional amount to \$890,682.

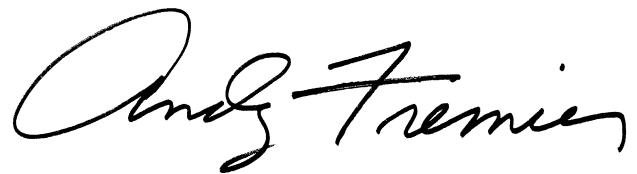
The proposed budget amendment is funded by a \$1.1 million draw from operating reserves. Such a draw would leave a projected operating reserve balance of \$16.1 million.

Recommendation:

Staff requests approval of BAHA resolution No. 46, Revised authorizing the BAHA FY 2023-24 Operating and Capital Budget Amendment No. 1.

Attachment:

- BAHA Resolution No. 46, Revised



Andrew B. Fremier