

Meeting Agenda

Bay Area Headquarters Authority

Authority Members:

*Alfredo Pedroza, Chair Nick Josefowitz, Vice Chair
Margaret Abe-Koga, Victoria Fleming, Federal D. Glover,
Gina Papan*

Wednesday, July 26, 2023

9:55 AM

Board Room - 1st Floor

The Bay Area Headquarters Authority (BAHA) is scheduled to meet on Wednesday, July 26, 2023 at 9:55 a.m. or immediately following the 9:50 a.m. BAIFA meeting, in the Bay Area Metro Center at 375 Beale Street, Board Room (1st Floor). This meeting shall consist of a simultaneous teleconference call at the following location(s):
Ibis Ciboure, 13 rue Georges Olascuaga, 64500 Ciboure, France

Meeting attendees may opt to attend in person for public comment and observation. In-person attendees must adhere to posted public health protocols while in the building.

The meeting webcast will be available at

<https://mtc.ca.gov/whats-happening/meetings/live-webcasts>.

Commissioners and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Zoom Attendee Link: <https://bayareametro.zoom.us/j/86005091247>

iPhone One-Tap: US:

+13462487799,,86005091247# US (Houston)

+16694449171,,86005091247# US

Join by Telephone (for higher quality, dial a number based on your current location) US:

888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 860 0509 1247

International numbers available: <https://bayareametro.zoom.us/j/86005091247>

Detailed instructions on participating via Zoom are available at:

<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>.

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

3c. [23-0817](#) Closed Session Pursuant to Section 54956.8: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: A Portion of Bay Area Metro Center, 375 Beale Street, San Francisco, CA 94105 (APN 002-3746-669 (portion))

Agency negotiators: Andrew Fremier, Executive Director, Alix Bockelman, Chief Deputy Executive Director, Derek Hansel, Chief Financial Officer, Denise Rodrigues, Section Director, Facilities, John Walsh and Brendon Kane of Cushman & Wakefield

Negotiating parties: Bay Area Headquarters Authority; unknown at this time

Under negotiation: Price and Terms of Payment

3d. [23-0604](#) Open Session

BAHA Resolution No. 0047. Delegation of Authority Regarding Tenant Leases at 375 Beale Street, San Francisco, CA 94105 (APN 002-3746-669)

A request that the Authority adopt BAHA Resolution No. 0047 finding that the leasing of commercial space is not subject to the Surplus Lands Act and is exempt from the California Environmental Quality Act pursuant to CEQA Guideline 15301 and authorizing the Executive Director (ED) to: 1) negotiate and execute Tenant Leases for a portion of APN 002-3746-669 within BAMC located at 375 Beale Street, San Francisco, CA 94105, provided BAHA achieves positive cash flow in year 2 of the lease, and based on the direction the BAHA Board provided during closed session on July 26, 2023, and 2) take actions necessary or incidental to effectuate the leases.

Action: Authority Approval

Presenter: Denise Rodrigues

Attachments: [3d_23-0604_BAHA_Resolution_47_Lease_Delegated_Authority.pdf](#)

4. Public Comment / Other Business

*Commissioners and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6.*

5. Adjournment / Next Meeting

The next meeting of the Bay Area Headquarters Authority is scheduled to be held on September 27, 2023. Any changes to the schedule will be duly noticed to the public.

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.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0910 **Version:** 1 **Name:**

Type: Minutes **Status:** Consent

File created: 6/7/2023 **In control:** Bay Area Headquarters Authority

On agenda: 7/26/2023 **Final action:**

Title: Approval of BAHA Minutes of the June 28, 2023 meeting

Sponsors:

Indexes:

Code sections:

Attachments: [2a_23-0910_06-28-2023_Draft_BAHA_Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Approval of BAHA Minutes of the June 28, 2023 meeting

Recommended Action:
Authority Approval



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

Meeting Minutes

Bay Area Headquarters Authority

Authority Members:

*Alfredo Pedroza, Chair Nick Josefowitz, Vice Chair
Margaret Abe-Koga, Victoria Fleming, Federal D. Glover,
Gina Papan*

Wednesday, June 28, 2023

10:00 AM

Board Room - 1st Floor

Chair Pedroza called the meeting to order at 11:22 a.m.

1. Roll Call / Confirm Quorum

Present: 6 - Commissioner Abe-Koga, Commissioner Fleming, Commissioner Glover, Vice Chair Josefowitz, Chair Pedroza and Commissioner Papan

2. Consent Calendar

Upon the motion by Commissioner Papan and seconded by Commissioner Abe-Koga, the Authority unanimously approved the Consent Calendar by the following vote:

Aye: 6 - Commissioner Abe-Koga, Commissioner Fleming, Commissioner Glover, Vice Chair Josefowitz, Chair Pedroza and Commissioner Papan

2a. [23-0777](#) Approval of BAHA Minutes of the May 24, 2023 Meeting

Action: Authority Approval

2b. [23-0090](#) BAHA Resolution No. 044 - Bay Area Metro Center (BAMC) No Weapons Policy

Action: Authority Approval

Presenter: Denise Rodrigues

2c. [23-0929](#) Contract Amendment - Furniture Procurement Services: KBM Office Equipment Inc. (\$300,000)

Action: Authority Approval

Presenter: DeNise Blake

3. Authority Approval

- 3a. [23-0778](#) Bay Area Headquarters Authority (BAHA) Resolution No. 046 - Fiscal Year (FY) 2023-24 Operating and Capital Budgets

A request for adoption of BAHA Resolution No. 46, authorizing the FY 2023-24 BAHA Operating and Capital Budgets.

Action: Authority Approval

Presenter: Derek Hansel

Upon the motion by Commissioner Abe-Koga and seconded by Commissioner Fleming, the Authority unanimously adopted BAHA Resolution No. 46. The motion carried by the following vote:

Aye: 6 - Commissioner Abe-Koga, Commissioner Fleming, Commissioner Glover, Vice Chair Josefowitz, Chair Pedroza and Commissioner Papan

- 3b. [23-0813](#) Contract Amendment- First Floor Reconfigurations Construction Services: Swinerton Builders (\$4,662,975)

A request that the Authority authorizes the Executive Director or designee to negotiate and enter into a contract amendment in an amount not to exceed \$4,239,068 plus an Owner’s contingency of \$423,907, with Swinerton Builders (“Swinerton”) to perform construction services for the first-floor reconfiguration project at the Bay Area Metro Center (BAMC) at 375 Beale Street, San Francisco CA.

Action: Authority Approval

Presenter: DeNise Blake

Upon the motion by Commissioner Papan and seconded by Commissioner Glover, the authority unanimously approved the contract amendment with Swinerton Builders. The motion carried by the following vote:

Aye: 6 - Commissioner Abe-Koga, Commissioner Fleming, Commissioner Glover, Vice Chair Josefowitz, Chair Pedroza and Commissioner Papan

4. Information

- 4a. [23-0089](#) 375 Beale Building and Operations Update

Staff will present a 375 Beale Building and Operations Update.

Action: Information

Presenter: DeNise Blake and Ebony Horace

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Bay Area Headquarters Authority is scheduled to be held at 9:45 a.m. on July 26, 2023. Any changes to the schedule will be duly noticed to the public.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0921 **Version:** 1 **Name:**

Type: Contract **Status:** Consent

File created: 6/7/2023 **In control:** Bay Area Headquarters Authority

On agenda: 7/26/2023 **Final action:**

Title: Contract Amendment - Webcasting Production Services: Network Time Television Inc. (\$954,700)

Sponsors:

Indexes:

Code sections:

Attachments: [2b_23-0921_Webcasting_Services_Contract_Amendment_NTT_Inc.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Contract Amendment - Webcasting Production Services: Network Time Television Inc. (\$954,700)

Presenter:
Shauna Callow

Recommended Action:
Authority Approval

**Bay Area Headquarters Authority
(BAHA)**

July 26, 2023

Agenda Item 2b - 23-0921

**Contract Amendment – Webcasting Production Services: Network Time Television Inc.
(\$954,700)**

Subject:

A request for Committee approval of a contract amendment in an amount not to exceed \$954,700 with Network Time Television Inc. (NTT) to provide webcasting, agenda management, closed captioning services, event support, and Bay Area Metro Center (BAMC) audio-visual (AV) equipment maintenance/replacement through the period of June 30, 2025.

Background:

In June 2020, BAHA approved a contract with NTT in an amount of \$2,800,000 for a term of five years for webcasting, agenda management, and closed captioning services. BAHA utilized a procurement by the U.S. General Services Administration (GSA) contract, a collaborative intergovernmental procurement vehicle, which satisfies the Bay Area Headquarters Authority's (BAHA's) competitive procurement requirements for the initial contract and this amendment. Additional amendments approved under the executive director's authority and this Committee have added \$464,000 for end-of-life equipment replacement, webcasting for increased agency meetings, and the addition of webcasting services for the Bay Conservation and Development Commission (BCDC).

NTT currently provides webcasting production services for MTC, the Association of Bay Area Governments (ABAG), the Bay Area Regional Collaborative (BARC), the Bay Area Air Quality Management District (BAAQMD), and BCDC. Each agency is responsible for its share of the costs for each webcast meeting and a proportional share of the systems maintenance and managed services costs as unit owners in the building.

Under the proposed contract amendment, NTT would provide AV support for BAMC events, equipment modernization and replacement, and on-call support and routine maintenance of other BAMC AV systems, including conference rooms and display panels. NTT would also support webcasting for overall increased agency meetings, including in-person, remote, and hybrid meetings.

The work under this contract is required for Bay Area Metro Center agencies to facilitate compliance with the Ralph M. Brown Act and is essential to ongoing webcasting of board meetings and enabling public participation.

Neither NTT, nor its subcontractors, are small businesses or disadvantaged business enterprises.

Recommendation:

Staff recommends that the Authority authorize the Executive Director or designee to negotiate and enter into a contract amendment with NTT in an amount not to exceed \$954,700 for a total new contract amount not to exceed \$4,218,700, through the period of June 30, 2025, to provide webcasting, agenda management, closed captioning services, event support, and BAMC AV equipment maintenance/replacement, subject to the agency's budget approval process as necessary in future fiscal years.

Attachments:

- Request for Committee Approval – Summary of Proposed Contract



Andrew B. Fremier

Summary of Proposed Contract Amendment

Work Item No.: 1161, 9110, 9120

Consultant: Network Television Time Inc. (NTT)
Westlake Village, CA

Work Project Title: Webcasting Production Services

Purpose of Project: Webcast, Video Production, A/V Maintenance, Closed Captioning

Brief Scope of Work: Webcasting services, equipment maintenance/replacement, and other AV support as noted in the BAHA Committee Summary Sheet

Project Cost Not to Exceed: \$954,700 this amendment
Previous approved contract amount = \$3,264,000
Total approved contract amount based on this action = \$4,218,700

Funding Source: BAHA operating budget, MTC funds, SSO funds, BAAQMD funds, and BCDC funds.

Fiscal Impact: Funding of \$954,700 is included in the FY 2023-24 budget, to be reimbursed in part by BAAQMD and BCDC.

Motion by Authority: That the Executive Director or designee is authorized to negotiate and enter into a contract amendment with NTT for services described above and in the BAHA Committee Summary Sheet dated July 26, 2023, and that the Chief Financial Officer is authorized to set aside a total \$954,700 for such amendment, subject to including necessary funds in agencies' budgets.

Authority Approval: _____
Alfredo Pedroza, Chair

Approved: July 26, 2023



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0933 **Version:** 1 **Name:**

Type: Contract **Status:** Consent

File created: 6/12/2023 **In control:** Bay Area Headquarters Authority

On agenda: 7/26/2023 **Final action:**

Title: Contract Amendment - Property Management Services: Cushman & Wakefield of California, Inc. (\$2,757,660)

Sponsors:

Indexes:

Code sections:

Attachments: [2c 23-0933 Property Management Contract Amendment C&W Inc.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Contract Amendment - Property Management Services: Cushman & Wakefield of California, Inc. (\$2,757,660)

Presenter:

DeNise Blake

Recommended Action:

Authority Approval

Bay Area Headquarters Authority (BAHA)

July 26, 2023

Agenda Item 2c - 23-0933

Contract Amendment – Property Management Services: Cushman & Wakefield of California, Inc. (\$2,757,660)

Subject:

A request that the Authority authorizes the Executive Director to negotiate and enter into a contract amendment in the amount of \$2,757,660 with Cushman & Wakefield of California, Inc. (“Cushman Wakefield”) to implement and administer building improvements projects at 375 Beale Street, San Francisco (Bay Area Metro Center).

Background:

On January 23, 2013, after a competitive procurement, BAHA authorized a contract with Cushman Wakefield to provide property management services at 375 Beale Street for a five-year term, with the option to renew for two additional five-year terms. On December 29, 2017, BAHA authorized the first five-year renewal, and the second renewal on December 21, 2022.

Cushman Wakefield’s responsibilities as property manager for BAHA include implementing and administering the design and construction of capital projects on behalf of both BAHA and its tenants. Upon written approval by BAHA, Cushman Wakefield acts as BAHA’s agent with respect to any given BAHA project and agrees to perform the following:

1. Place for bid with contractors, tenant improvement, and/or capital improvement work required to be completed in connection with the leasing of space or renovations at the Bay Area Metro Center;
2. Coordinate with BAHA, tenants, architects, engineers, contractors, and other consultants on the preparation and finalization of construction drawings;
3. Oversee the administration of the construction contracts, including the construction schedule, disbursement process, lien-waiver collection, and financial reporting;
4. Perform final walk-through and assist in the preparation of a final punch list which itemizes all work that must be completed or which requires repair, if applicable;

5. Assist contractors in obtaining notices of completion, certificates of occupancy, or equivalent documents;
6. Ensure adherence with all applicable laws, codes, and regulations, including but not limited to building, fire, and safety codes; and
7. Additional tasks as mutually agreed upon in advance.

The proposed contract amendment would fund various building improvement projects from the FY 2023-24 Capital Improvement Building Budget including, but not limited to:

- Space Modifications for Hybrid Pilot: \$350,000
- Roof to First Floor Waterproofing: \$308,069
- Parking Garage Gate Control Replacement: \$195,072
- Level 1 Americans with Disabilities Act (ADA) Door Actuator Installation \$77,760
- Card Reader Security System Replacement: \$317,316
- Additional miscellaneous building improvements, to improve and maintain building functionality: Rincon hallway resurfacing and carpet replacement, Air handler units eyebrow installation, Davit operating procedures outline sheet (OPOS) repairs, Leadership in Energy and Environmental Design (LEED) Operations and maintenance certification: \$1,509,443.

The proposed \$2,757,660 includes Cushman Wakefield's project management fee, which ranges from 3% for projects with a value greater than \$1,000,000 to 5% for smaller projects.

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 amendment with Cushman Wakefield to add \$2,757,660 for a new

contract not to exceed amount of \$16,252,461.80, for implementation and administration of building improvement projects at the Bay Area Metro Center.

Attachments:

Request for Committee Approval – Summary of Proposed Contract Amendment



Andrew B. Fremier

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 9161, 9180, 9181

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

Work Project Title: Property Management Services

Purpose of Project: Provide property management services for 375 Beale Street

Brief Scope of Work: Implement and administer building improvement projects consistent with the FY 2023-24 Budget

Project Cost Not to Exceed: This amendment: \$2,757,660
Current contract authorization before this amendment: \$13,494,801.80
Maximum contract authorization after this amendment: \$16,252,461.80

Funding Source: BAHA FY 2023-24 Capital Building Improvement Project Budget

Fiscal Impact: Funding is subject to the approval of the BAHA FY 2023-24 Budget

Motion by Authority: That the Executive Director is authorized to negotiate and enter into a contract amendment with Cushman & Wakefield of California, Inc. for property management services as described above and in the Bay Area Headquarters Authority Summary Sheet dated July 26, 2023, and the Chief Fiscal Officer (CFO) is directed to set aside funds in the amount of \$2,757,660 for such contract amendment, subject to the approval of the BAHA FY 2023-24 budget.

BAHA Chair:

Alfredo Pedroza

Approved:

Date: July 26, 2023

Legislation Details (With Text)

File #: 23-0909 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 6/6/2023 **In control:** Bay Area Headquarters Authority
On agenda: 7/26/2023 **Final action:**
Title: State of the Real Estate Market

Staff and Cushman & Wakefield (CW) will present an update on leasing activities at the Bay Area Metro Center located at 375 Beale Street, San Francisco, CA.

Sponsors:

Indexes:

Code sections:

Attachments: [3a 23-0909 State of Real Estate Market.pdf](#)
[3a 23-0909 Attachment A Presentation 375 Beale Street.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

State of the Real Estate Market

Staff and Cushman & Wakefield (CW) will present an update on leasing activities at the Bay Area Metro Center located at 375 Beale Street, San Francisco, CA.

Presenter:

Denise Rodrigues, and John Walsh and Brendon Kane of CW

Recommended Action:

Information

State of the Real Estate Market

Subject:

Staff and Cushman & Wakefield (CW) will present an update on leasing activities at the Bay Area Metro Center located at 375 Beale Street, San Francisco, CA.

Background:

In 2012, BAHA hired Cushman & Wakefield (CW) to provide real estate brokerage services and act as the leasing agent at BAMC located at 375 Beale Street, San Francisco CA. This assignment was for non-agency office space within BAMC. CW's marketing efforts commenced on the property in 2013. At that time, it was very challenging trying to capture tenants as the entire building was a major construction zone, and the country was still recovering from the Great Recession. The initial tenants were both engineering firms, who were more clearly able to understand BAHA's vision for BAMC prior to its completion. An important part of the original lease-up success at BAMC was a result of CW's ability to transact deals at value-oriented rents - the first and second leases, signed in 2014 and 2015 had starting rents of \$42.50 and \$48.50.

As the renovation at BAMC progressed and the leasing market gained momentum, CW was able to obtain additional tenants at higher rental rates - \$54 in late 2015 and \$75 in 2018 during near market highs – and completed the initial lease-up of the tenant space within the building.

From 2018 through 2021 BAHA has been without a real estate brokerage service provider since Metropolitan Transportation Commission (MTC), the Bay Area Quality Management District (BAAQMD) and the San Francisco Bay Conservation and Development Commission (BCDC) occupy approx. 207,000 square feet, and all other BAMC space was leased to other commercial tenants. Although all leasable BAMC space was occupied in 2021, this Authority approved an agreement with CW to assist BAHA with its on-going and future leasing needs.

In 2023, the leasing market in San Francisco faces very strong headwinds. Return to Office has failed to substantially materialize, and there have been a significant number of layoffs in the technology industry, particularly in the last six months. This has very adversely affected San Francisco-for the past decade, technology has been a huge driver of office market leasing activity. Current leasing demand is far below pre-Pandemic highs; as a result, rents are forecast to drop further over the next two to three years, while vacancy rates approach historical all-time highs.

The leasing challenge moving forward at BAMC is to find the right target tenants, pursue them aggressively and be willing to make value-oriented deals. The ability to respond quickly to all interested parties, especially as the market remains dynamic and competitive, will be imperative.

Detailed information on the state of the real estate market and current BAMC stacking plan is included in Attachment A.

Issues: None.

Recommendations:

Information item only.

Attachments:

- Attachment A - Presentation



Andrew B. Fremier



**375
BEALE
STREET**

BAY
AREA
METRO
CENTER

REVIEW PACKAGE

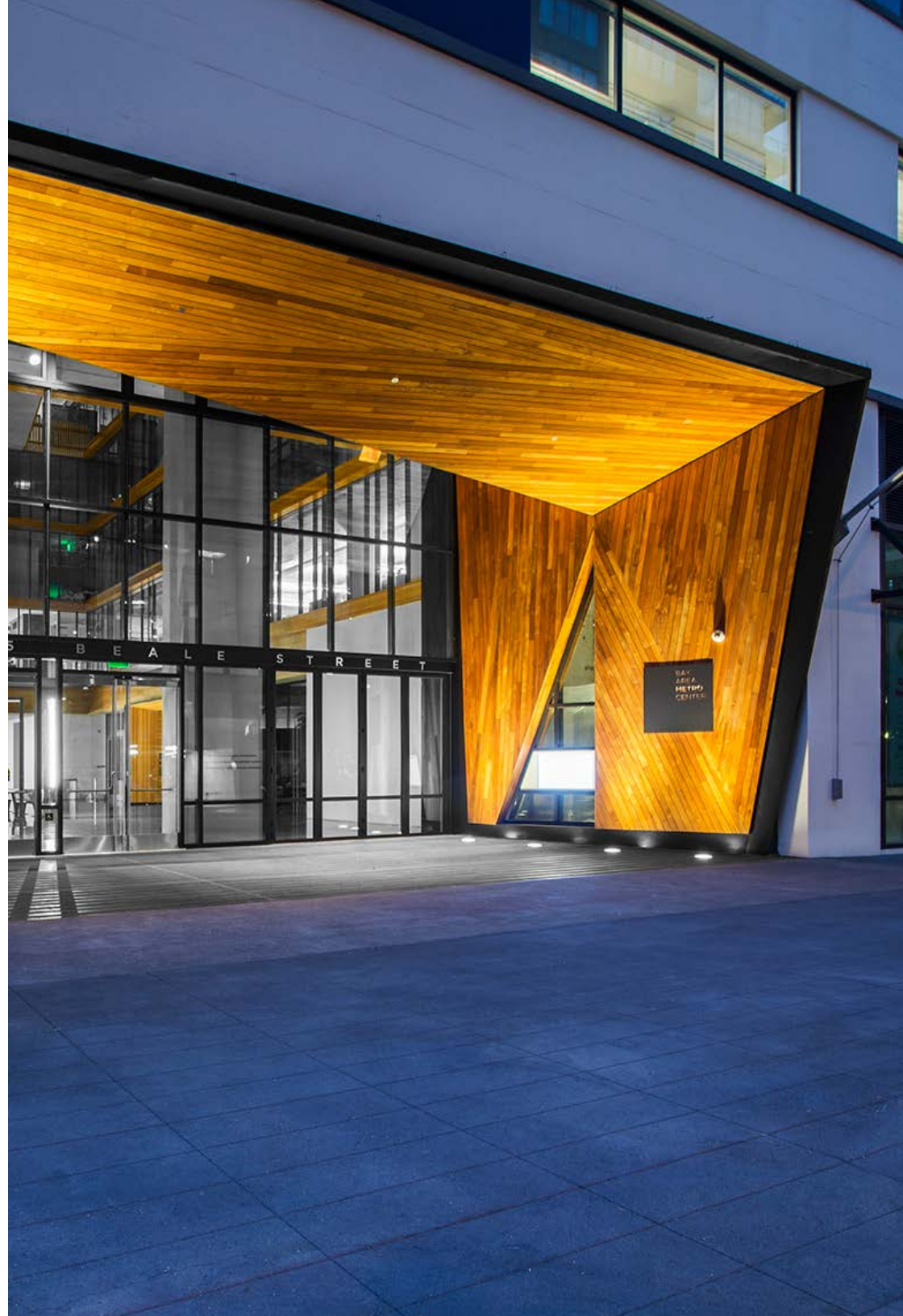
JULY 2023

Presented by John Walsh & Brendon Kane



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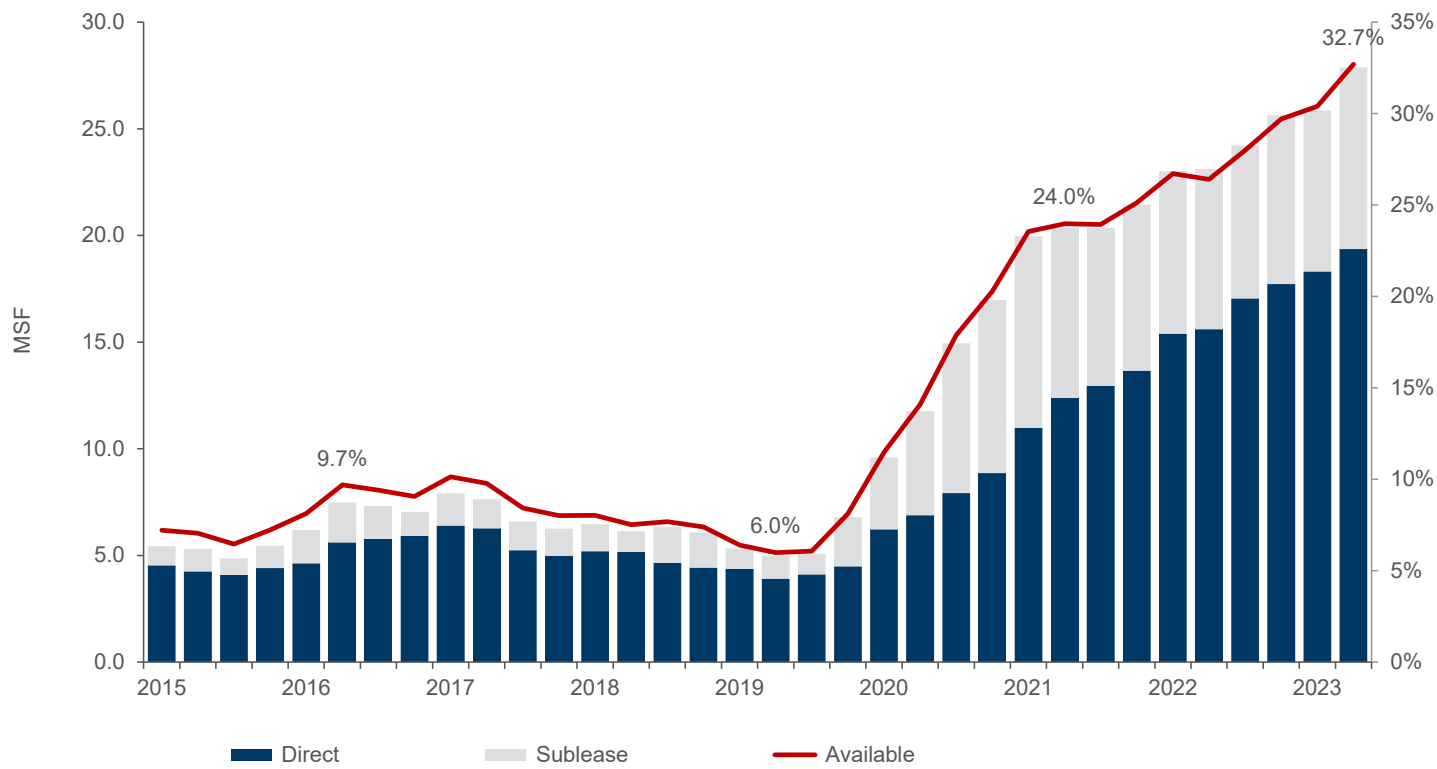
STATE OF THE MARKET

SAN FRANCISCO OFFICE

Q2 2023 AVAILABILITIES

DIRECT AND SUBLEASE AVAILABILITY TOTALS 19.4 MSF AND 8.5 MSF, BRINGING THE OVERALL MARKET AVAILABILITY 26.7% HIGHER THAN Q2 2019

Available space - All space listed on the market, including vacant space and space available in the future



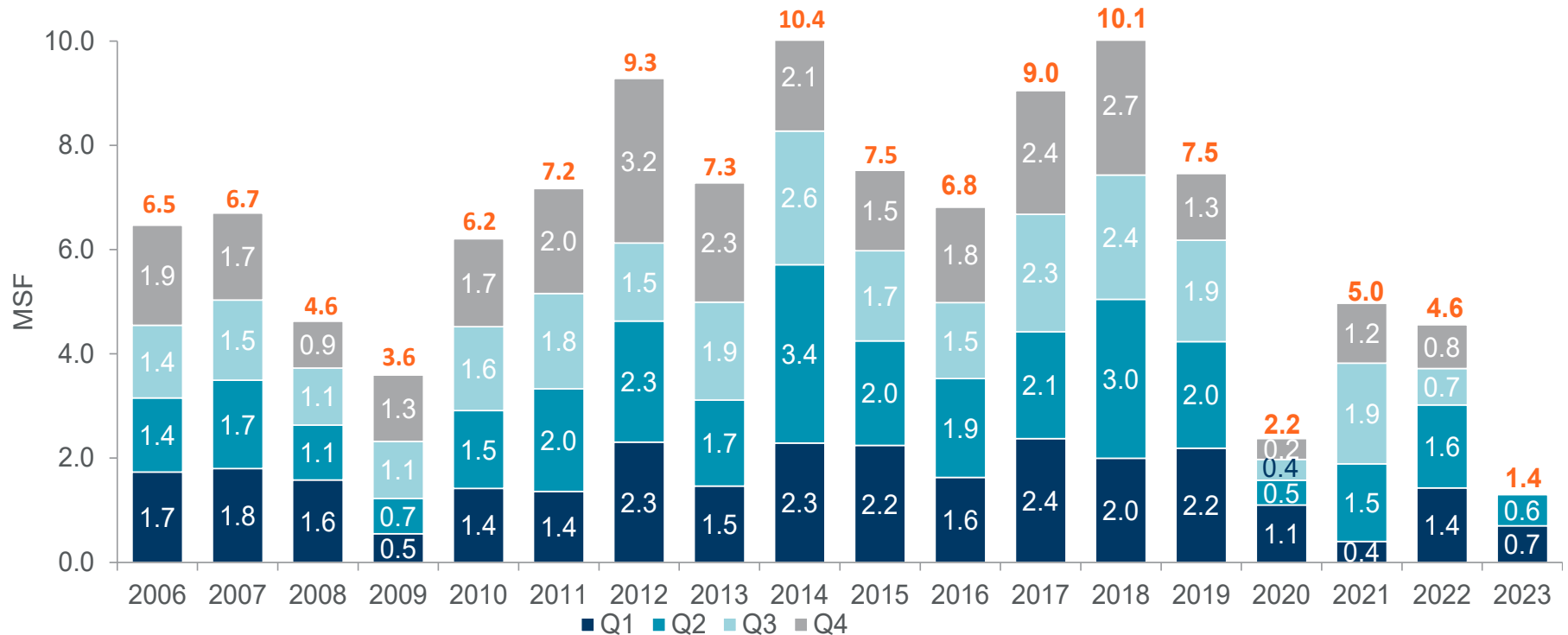
KEY STATS

- 32.7%**
Overall Market Availability
- 19.4 msf**
Total Direct Availability
- 8.5 msf**
Total Sublease Availability

STATE OF THE MARKET

NEW LEASING BY QUARTER

- New leasing continues to be slow in Q2 2023; at just above 560,000 sf, that brings the total for 1H 2023 to 1.4 msf.
- For the year, transactions have been heavily weighted to both Class A (73.3% Citywide) and the CBD (76.9% across all classes).



30+ spaces of 50K ft+

Available within .5 miles of 375 Beale, with avg time on market of over 2 years

STACKING PLAN

375 BEALE STREET - STACKING PLAN

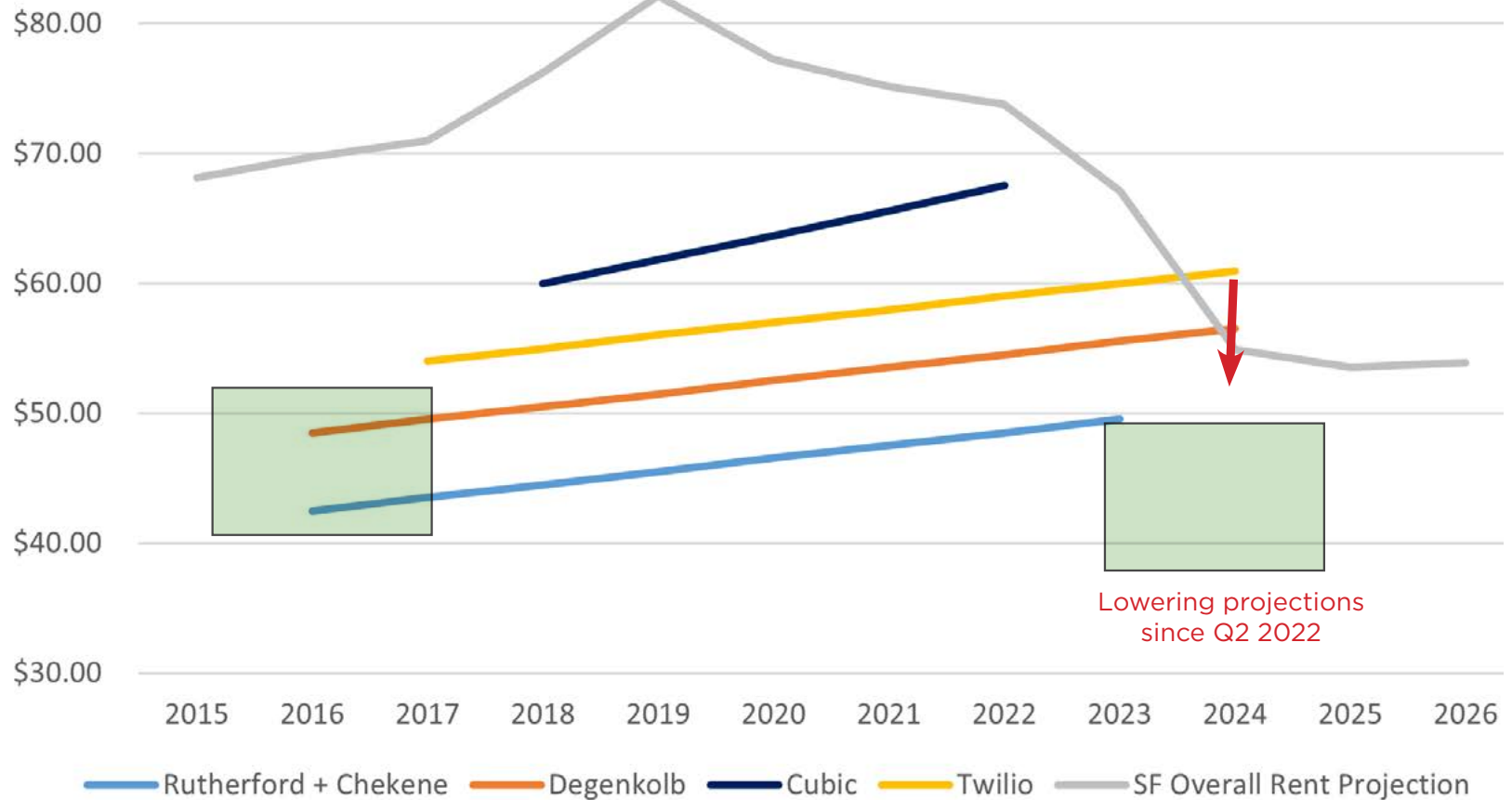
BOMA 2015 Legacy Method A Measurement: Completed by Smith Group 6.19.15 = (2015)
BOMA 2017 Method A Measurement: Completed by Smith Group 8.31.22 = (2017)

FLOOR						+/- USF	LOAD FACTOR	+/- RSF	Agency +/- RSF		
8	SERVICE AREA 6,300 SF / (2015) 4,822.49 SF / (2017)	AGENCY: BAHAMTC/BAAQMD SUITE 800 49,000 RSF (2015) 56,088.10 RSF (2017)				Current: 52,054 New: 51,554	Current: 1.070 New: 1.182	Current: 55,700 New: 60,910	Current: 55,700 New: 60,910		
7	SERVICE AREA 6,300 SF / (2015) 5,279.82 SF / (2017)	AGENCY: BAHAMTC/BAAQMD SUITE 700 49,000 RSF (2015) 56,337.22 RSF (2017)				Current: 53,815 New: 51,576	Current: 1.064 New: 1.191	Current: 57,300 New: 61,617	Current: 57,300 New: 61,617		
6	SERVICE AREA 6,300 SF (2015) 6,060.50 SF (2017)	AGENCY: BAAQMD - SUITE 600 51,800 RSF (2015) 62,383.50 RSF (2017)				Current: 54,579 New: 51,710	Current: 1.064 New: 1.206	Current: 58,100 New: 62,383	Current: 58,100 New: 62,384		
5	SERVICE AREA 6,300 SF (2015) 5,997.42 SF (2017)	AGENCY: MTC - SUITE 510A 14,900 RSF (2015) 15,690.41 RSF (2017)	AGENCY: SHARED 890SF RSF (2015) 809.59 USF / 974.58 RSF (2017)	AGENCY: BCDC - SUITE 510 OCCUPY: 9-1-2019 EXPIRE: 8-31-2027 OPTIONS: N/A 18,890 USF / 21,000 RSF (2015) 18,370.16 USF / 22,114 RSF (2017)	DEGENKOLB - SUITE 500 OCCUPY: 2-1-2017 EXPIRE: 01-31-2027 Option: On-60 months (i.e. 01-31-2032) 19,393 USF / 21,559 RSF (2015) 19,709 USF / 23,725.69 RSF (2017)	Current: 52,344 New: 51,923	Current: 1.116 New: 1.204	Current: 57,459 New: 62,504	Current: 35,900 New: 38,779		
4	SERVICE AREA 2,388 SF (2015) 2,388.87 SF (2017)	TWILIO TWILIO - SUITE 400 OCCUPY: 10-13-2016 EXPIRE: 10-31-2024 OPTION: Two options-36 mos each 58,290 RSF (2015) 55,573.95 USF / 62,665.19 RSF (2017)				Current: 54,571 New: 55,574	Current: 1.071 New: 1.128	Current: 58290 New: 62,665	Current: 0.00 New: 0.00		
3	SERVICE AREA 6,230 SF (2015) 6,230.45 SF (2017)	TWILIO - SUITE 300 OCCUPY: 10-13-2016 EXPIRE: 10-31-2024 OPTION: Two options at 36 mos 29,941 USF / 33,533 RSF (2015) 30,75.98 USF / 36,758.35 RSF (2017)	RUTHERFORD & CHEKENE - SUITE 310 OCCUPY: 12-01-2015 EXPIRE: 08-31-2023 OPTION: One option-extend up to 5 yrs 12,476.00 USF / 13,892.00 RSF (2015) 12,895.12 USF / 15,412.25 RSF (2017)	CONDUENT - SUITE 330 OCCUPY 04-01-2016 EXPIRE: 09-28-2027 OPTION: Annual increments up to 10 yrs 5,517.00 USF / 6,179.00 RSF (2015) 5,619.95 USF / 6,716.96 RSF (2017)	VACANT SPACE - SUITE 340 2,991.00 RSF (2015) 2,945.51 USF / 3,520.47 RSF (2017)	Current: 50,641 New: 52,216	Current: 1.119 New: 1.195	Current: 56,595 New: 62,408	Current: 0.00 New: 0.00		
2	SERVICE AREA 6,300 SF (2015) 4,112.63 SF (2017)	PARKING 16,064 SF (2015) 16,491.54 SF (2017)	AMENITIES 4,100 SF (2015) 4,431.92 SF (2017)	AGENCY: BAAQMD (LAB) 5,500 RSF (2015) 5,885.74 RSF (2017)	AGENCY/SHARED MAILROOM 4,100 RSF (2015) 7,209.44 (2017)	C&W SUITE 256 1,082 RSF (2015) 1,724.78 RSF (2017)	CONDUENT - SUITE 210 OCCUPY: 04-01-2016 EXPIRE: 09-28-2027 OPTION: Annual increments up to 10 yrs 18,836 USF / 21,096 RSF (2015) 19,586.93 USF / 23,992.03 RSF (2017)	Current: 28,403 New: 28,210	Current: 1.120 New: 1.225	Current: 31,778 New: 34,554	Current: 30,696 New: 10,562
1	SERVICE AREA 27,603.00 SF (2015) 27,603.20 SF (2017)	PARKING 15,912 SF (2015) 16,302.29 SF (2017)	AGENCY: BAHAMTC* 12,666 USF / 14,200 RSF (2015) 17,143.55 USF / 21,390.01 RSF (2017)		RETAIL A 4,310 USF / 4,827 RSF (2015) *COMBINED WITH AGENCY SPACE (2017)	RETAIL/HUB RESOURCE CENTER 1,521 RSF (2015) 1,357.74 USF / 1,694.05 RSF (2017)	Current: 18,334 New: 18,501	Current: 1.120 New: 1.248	Current: 20,548 New: 23,084	Current: 14,200 New: 21,390	

CURRENT TOTALS BASED ON 2015 MEASUREMENT: 364,741 395,770 251,896 64%
NEW TOTALS BASED ON 2017 MEASUREMENT: 361,445 430,127 255,642 59%

HISTORICAL RENT COMPARISON

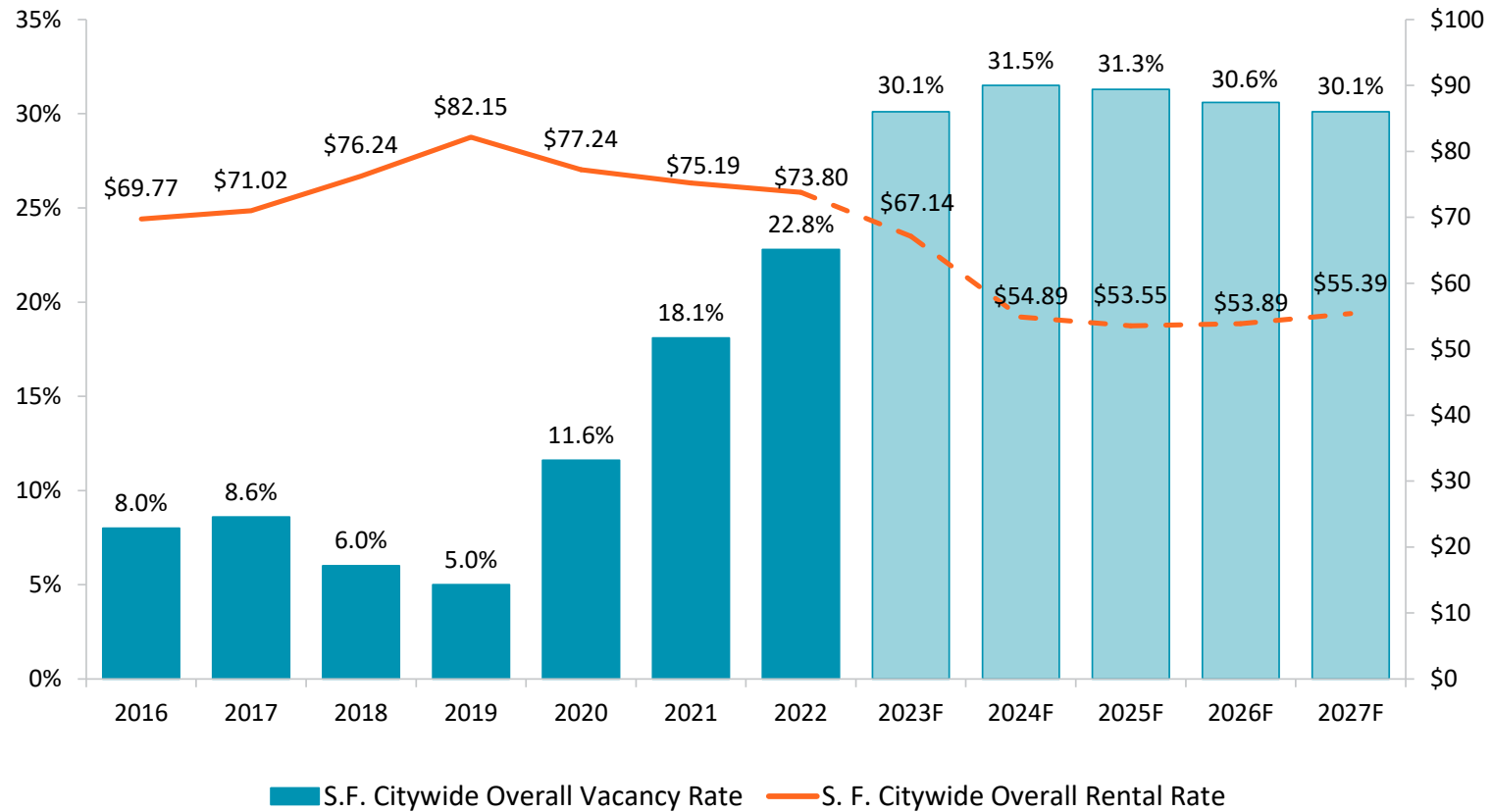
375 Beale vs Average Citywide Asking Rents



* Asking Rent Forecasts are based on Fully Serviced rents.
 375 Beale Rates are Net of Electric
 (\$2-\$3 per ft per year more for Full Service equivalent)

HISTORICAL RENT COMPARISON

San Francisco Citywide Overall Office Forecast



Baseline Forecast

- Asking rent is forecast to fall to \$53.55 at YE 2025 (down 34.8% from the high at YE 2019) with minimal increases through YE 2027.
- The vacancy rate is forecast to increase to rise to 31.5% at YE 2024 before slow improvement through YE 2027.
- Only 656,000 sf of new inventory is expected through the forecast period – all smaller non-CBD properties to be added.



**375
BEALE
STREET**

BAY
AREA
METRO
CENTER

THANK YOU



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0816 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 5/19/2023 **In control:** Bay Area Headquarters Authority

On agenda: 7/26/2023 **Final action:**

Title: Public Comment on agenda items 3a, 3c and 3d

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Subject:
Public Comment on agenda items 3a, 3c and 3d



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0817 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 5/19/2023 **In control:** Bay Area Headquarters Authority

On agenda: 7/26/2023 **Final action:**

Title: Closed Session Pursuant to Section 54956.8: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: A Portion of Bay Area Metro Center, 375 Beale Street, San Francisco, CA 94105 (APN 002-3746-669 (portion))

Agency negotiators: Andrew Fremier, Executive Director, Alix Bockelman, Chief Deputy Executive Director, Derek Hansel, Chief Financial Officer, Denise Rodrigues, Section Director, Facilities, John Walsh and Brendon Kane of Cushman & Wakefield

Negotiating parties: Bay Area Headquarters Authority; unknown at this time

Under negotiation: Price and Terms of Payment

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Subject:

Closed Session Pursuant to Section 54956.8: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

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Negotiating parties: Bay Area Headquarters Authority; unknown at this time

Under negotiation: Price and Terms of Payment



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0604 **Version:** 1 **Name:**
Type: Resolution **Status:** Authority Approval
File created: 4/11/2023 **In control:** Bay Area Headquarters Authority
On agenda: 7/26/2023 **Final action:**
Title: Open Session

BAHA Resolution No. 0047. Delegation of Authority Regarding Tenant Leases at 375 Beale Street, San Francisco, CA 94105 (APN 002-3746-669)

A request that the Authority adopt BAHA Resolution No. 0047 finding that the leasing of commercial space is not subject to the Surplus Lands Act and is exempt from the California Environmental Quality Act pursuant to CEQA Guideline 15301 and authorizing the Executive Director (ED) to: 1) negotiate and execute Tenant Leases for a portion of APN 002-3746-669 within BAMC located at 375 Beale Street, San Francisco, CA 94105, provided BAHA achieves positive cash flow in year 2 of the lease, and based on the direction the BAHA Board provided during closed session on July 26, 2023, and 2) take actions necessary or incidental to effectuate the leases.

Sponsors:

Indexes:

Code sections:

Attachments: [3d_23-0604_BAHA_Resolution_47_Lease_Delegated_Authority.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Open Session

BAHA Resolution No. 0047. Delegation of Authority Regarding Tenant Leases at 375 Beale Street, San Francisco, CA 94105 (APN 002-3746-669)

A request that the Authority adopt BAHA Resolution No. 0047 finding that the leasing of commercial space is not subject to the Surplus Lands Act and is exempt from the California Environmental Quality Act pursuant to CEQA Guideline 15301 and authorizing the Executive Director (ED) to: 1) negotiate and execute Tenant Leases for a portion of APN 002-3746-669 within BAMC located at 375 Beale Street, San Francisco, CA 94105, provided BAHA achieves positive cash flow in year 2 of the lease, and based on the direction the BAHA Board provided during closed session on July 26, 2023, and 2) take actions necessary or incidental to effectuate the leases.

Presenter:
Denise Rodrigues

Recommended Action:
Authority Approval

Bay Area Headquarters Authority
BAHA

July 26, 2023

Agenda Item 3d - 23-0604

BAHA Resolution No. 0047 Delegation of Authority Regarding Tenant Leases at 375 Beale Street, San Francisco, CA 94105 (APN 002-3746-669)

Subject:

A request that the Authority adopt BAHA Resolution No. 0047 finding that the leasing of commercial space is not subject to the Surplus Lands Act and is exempt from the California Environmental Quality Act pursuant to CEQA Guideline 15301 and authorizing the Executive Director (ED) to: 1) negotiate and execute tenant leases for a portion of APN 002-3746-669 within Bay Area Metro Center (BAMC) located at 375 Beale Street, San Francisco, CA 94105, provided the Authority achieves positive cash flow in year 2 of the lease, and based on the direction from the Authority's Board provided during closed session on July 26, 2023, and 2) take actions necessary or incidental to effectuate the leases.

Background:

Section 5 of the joint powers agreement that forms BAHA provides that BAHA shall exercise its powers in the same way as the Bay Area Toll Authority (BATA). The current ED "signature authority" under BATA Resolution 3619, allows the ED or their designee to enter into contracts or funding agreements up to \$200,000 without Committee approval. To allow BAHA to expedite the execution of tenant leases for space at BAMC staff recommends the Authority approve a separate Resolution governing Tenant Leases.

Under proposed Resolution No. 0047 the ED or their designee would be authorized to enter into tenant leases of any dollar amount for space at 375 Beale, provided the terms and conditions provide BAHA with positive cash flow in year 2 of the lease.

Issues: None.

Recommendations:

Staff recommends that the Authority adopt BAHA Resolution No. 0047: finding that the leasing of commercial space is not subject to the Surplus Lands Act and is exempt from the California Environmental Quality Act pursuant to CEQA Guideline 15301 and authorizing: 1) to negotiate and execute tenant leases for a portion of APN 002-3746-669 within BAMC located at 375 Beale Street, San Francisco, CA 94105, provided the Authority achieves positive cash flow in year 2 of the lease, and based on the direction the BAHA Board provided during closed session on June 28, 2023, and 2) to take actions necessary or incidental to effectuate the leases.

Attachments:

- BAHA Resolution No. 0047



Andrew B. Fremier

Date: July 26, 2023

ABSTRACT

Resolution No. 0047

This resolution finds that the leasing of commercial space is not subject to the Surplus Lands Act and is exempt from the California Environmental Quality Act pursuant to CEQA Guideline 15301 and authorizes the Executive Director (ED) to: 1) negotiate and execute tenant leases for a portion of APN 002-3746-669 within Bay Area Metro Center (BA<C) located at 375 Beale Street, San Francisco, CA 94105, provided BAHA achieves positive cash flow in year 2 of the lease, and based on the direction the BAHA Board provided during closed session on July 26, 2023, and 2) take actions necessary or incidental to effectuate the leases.

Further discussion of this subject is contained in the Bay Area Headquarters Authority (BAHA) Summary Sheet dated July 26, 2023.

Date: July 26, 2023

RE: Delegation of Authority Regarding Tenant Leases at 375 Beale Street, San Francisco, CA 94105; CEQA Determination: Exempt Pursuant to CEQA Guideline 15301

BAY AREA HEADQUARTERS AUTHORITY
RESOLUTION NO. 0047

WHEREAS, the Bay Area Headquarters Authority (“BAHA”) is a joint powers authority formed by agreement dated July 27, 2011 between the Metropolitan Transportation Commission, a metropolitan planning organization, created by the Metropolitan Transportation Commission Act (Gov. Code, § 66500, et seq.) and the Bay Area Toll Authority, an authority created by Streets and Highway Code section 30951, et seq. for the purpose of planning, acquiring, and developing office space and facilities and undertaking related activities: and

WHEREAS, consistent with its purpose, BAHA has developed the Bay Area Metro Center, located at 375 Beale Street, San Francisco, CA, (“Bay Area Metro Center”); and

WHEREAS, the Bay Area Metro Center is a condominium project, limited to four commercial units, per the Parcel Map No. 8905, recorded as Document No. 2016-K351236-00 in the San Francisco Assessor’s Office (“Parcel Map”); and

WHEREAS, the Bay Area Metro Center is an award-winning building that houses several regional entities, including the Metropolitan Transportation Commission (“MTC”), the Association of Bay Area Governments (“ABAG”), and the Bay Area Air Quality Management District (“BAAQMD”), and

WHEREAS, in addition to housing several regional entities, the Bay Area Metro Center has space that is made available to the public both for short term uses, like meetings, conferences and social gatherings, and long term uses, like office space; and

WHEREAS, as the owner and manager of vacant office space at the Bay Area Metro Center, BAHA desires to make such office space available to the general public for lease to further occupancy and use of the Bay Area Metro Center as envisioned, and

WHEREAS, the vacant office space that would be made available to the public is a portion of Lot 1 – BAHA/Commercial as identified in the Parcel Map (“Property”), also referred to as Assessor Parcel Number 002-3746-669; and

WHEREAS, the lease of any or all of the Property entered into under this Resolution may require tenant improvements, but otherwise, there will be no development or demolition of the Property; and

WHEREAS, the San Francisco commercial tenant market remains dynamic and competitive in light of remove due to remote and hybrid work-from home policies and recent layoffs in the technology sector, which presents challenges in locating tenants for the vacant office space; and

WHEREAS, BAHA desires to create a program that will allow for BAHA to respond to changing conditions in the commercial tenant market to facilitate leasing of the vacant commercial space in an expedient matter, as market conditions dictate; and

NOW, THEREFORE, BE IT RESOLVED, that BAHA based on the foregoing recitals, which are true and correct, and incorporated by reference, the Property made available for lease to the public for office space use is not subject to the Surplus Lands Act (Gov. Code § 54220, et seq.) per the Surplus Land Act Guideline 102(h) because any lease executed pursuant to the authority granted by this Resolution will not allow for the development or demolition of the Property (excluding tenant improvements)(see also Surplus Land Act Frequently Asked Question Disposition No. 7 dated July 2022 published by HCD); and be it further

RESOLVED, that BAHA finds that the leasing of commercial space as allowed under this Resolution is exempt under the California Environmental Quality Act (Pub. Resources Code § 21000, et seq.)(“CEQA”) pursuant to CEQA Guideline 15301 (Alterations to Existing Facilities); and be it further

RESOLVED, that the Executive Director (ED) or designee is authorized to negotiate and execute lease agreement(s) (“Lease”) for portions of the Property to be used as commercial office space by third parties, provided the terms and conditions provide BAHA with positive cash flow in year 2 of the lease and subject to the direction provided to BAHA real property negotiators on July 26, 2023; and be it further

RESOLVED, that the ED or designee is authorized to take other actions necessary or incidental to effectuate the execution and implementation of the Leases; and be it further

RESOLVED, that the Chief Financial Officer (CFO) or designee is authorized to budget funds necessary for tenant improvements, etc. required to execute said tenant leases and make payment for budgeted and associated brokerage commissions, upon request by the ED or designee; and

RESOLVED, that any lease executed by the ED or designee under this Resolution shall be reported to BAHA by the ED or designee on a quarterly basis.

BAY AREA HEADQUARTERS AUTHORITY

Alfredo Pedroza, Chair

The above resolution was entered into by the Bay Area Headquarters Authority at a duly called and noticed meeting held in San Francisco, California and at other remote locations, on July 26, 2023.