



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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*Memorandum*

TO: MTC Commission

DATE: November 10, 2010

FR: Executive Director

RE: Strategic Facility Planning Project Study: Findings and Recommendations

Attached is a presentation summarizing the key findings of the Strategic Facilities Planning Study Phase I undertaken by CB Richard Ellis (CBRE) on behalf of the Bay Area Air Quality Management District (Air District), the Association of Bay Area Governments (ABAG) and MTC. CBRE was tasked with analyzing the key drivers and feasibility of co-locating the three agencies into one regional facility, located in either San Francisco or Oakland. Staff seeks MTC Commission approval to proceed with the next phase.

Background:

MTC, ABAG and the Air District are currently working together on several major planning initiatives through the Joint Policy Committee, and many of our commissioners serve on more than one of these governing bodies. The Air District's building is 44 years old and is in need of major renovations at a cost equivalent to buying a new facility. Based on this and other key factors, the Air District's board directed their staff to explore co-location opportunities with MTC, ABAG and other public agencies into a regional facility.

MTC and ABAG have shared space for 30+ years. This proximity has allowed our agencies to more easily collaborate on joint planning activities. While ABAG has no immediate need for additional space, a key issue facing MTC is the lack of space to accommodate any future growth. Even if MTC does not pursue co-location with the Air District and ABAG, we still need to develop a long-term strategy to address our own space needs. This may include relocating entirely out of the MetroCenter or relocating some functions to a satellite office.

CBRE was tasked with developing a real estate strategy for a potential three-agency regional facility. They conducted an analysis of the each agency's existing facilities, operational requirements, sustainability and environmental objectives, and financial objectives. CBRE also developed real estate scenarios and conducted preliminary research of the Oakland and San Francisco markets.

### Joint Ad Hoc Committee/Next Steps

On Friday, October 1<sup>st</sup>, CBRE presented their key findings to a joint Ad Hoc Strategic Facilities Committee, consisting of two Commissioner/Board member(s) and the Executive Directors from each of the agencies. The Ad Hoc committee directed staff to present the findings to each agency's governing body for further discussion and approval of the next steps. The Ad Hoc Committee also voted to add three additional members, one from each agency, to replace the Executive Directors as members. ABAG and the Air District staff will be making presentations to their board on November 18<sup>th</sup> and December 1<sup>st</sup>, respectively.

### Recommendation

Staff recommends that the Commission approve proceeding with the next phase of the joint facility strategy to identify specific market options in Oakland and San Francisco. If approved by all three agencies, an RFP will be issued for this work. Results of this work will be presented to each agency board in the spring. Staff also seeks Commission authorization to obtain consultant assistance, in an amount not to exceed the Executive Director's authority up to \$100,000, to assist MTC in evaluating financial impacts and opportunities related to real estate transactions involved in this potential co-location.



Steve Heminger

### Attachment

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